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TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
April—June	377	342	355
July—September	275	376	303
October—December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	144	111	84	130
April—June	268	239	260	112
July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
			Tons	
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73	1971/72	Increase
		c per unit		%
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73
		Tons		%
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> 1972
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> 1973
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> 1972
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> 1971
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

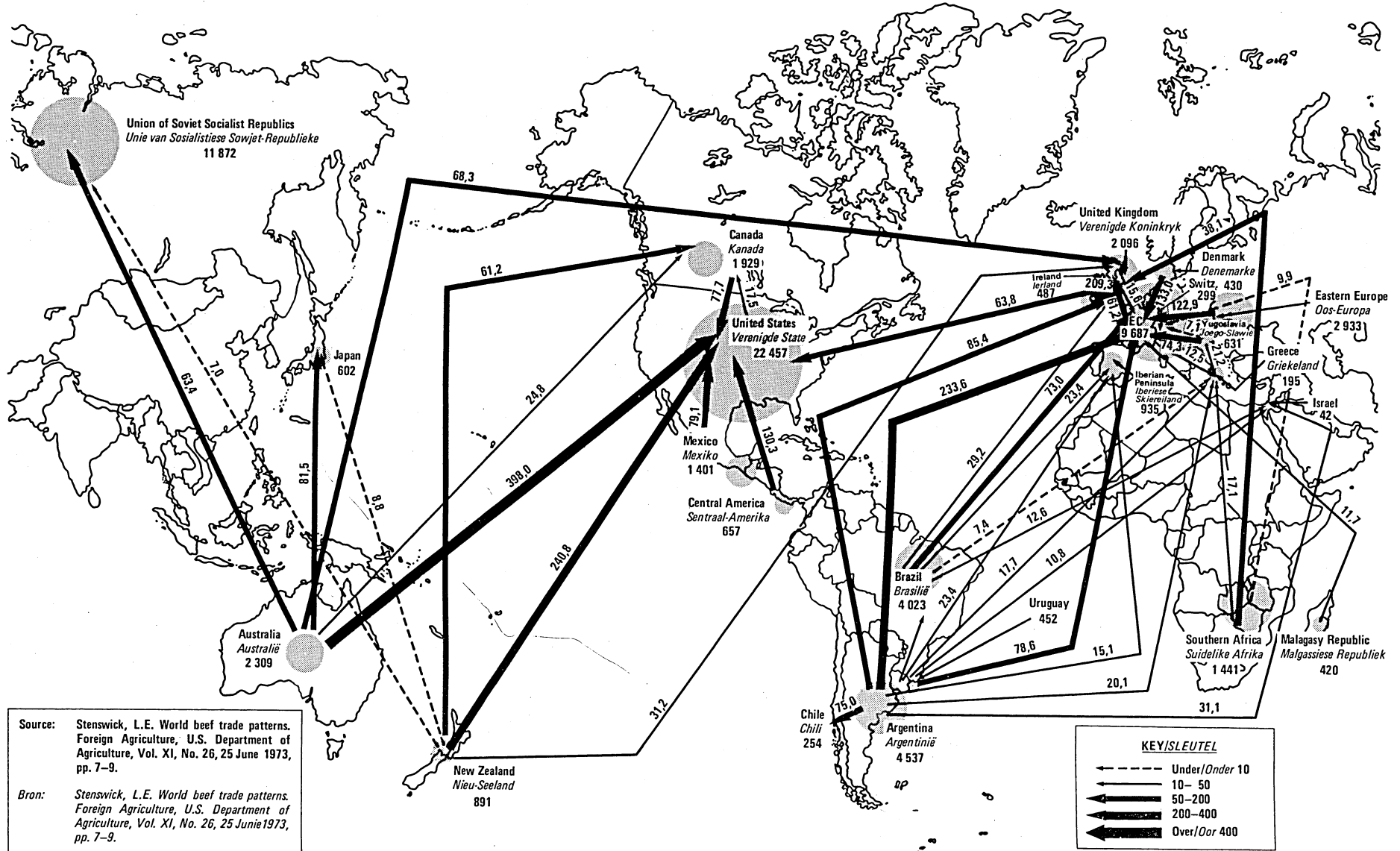
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

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After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginners, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

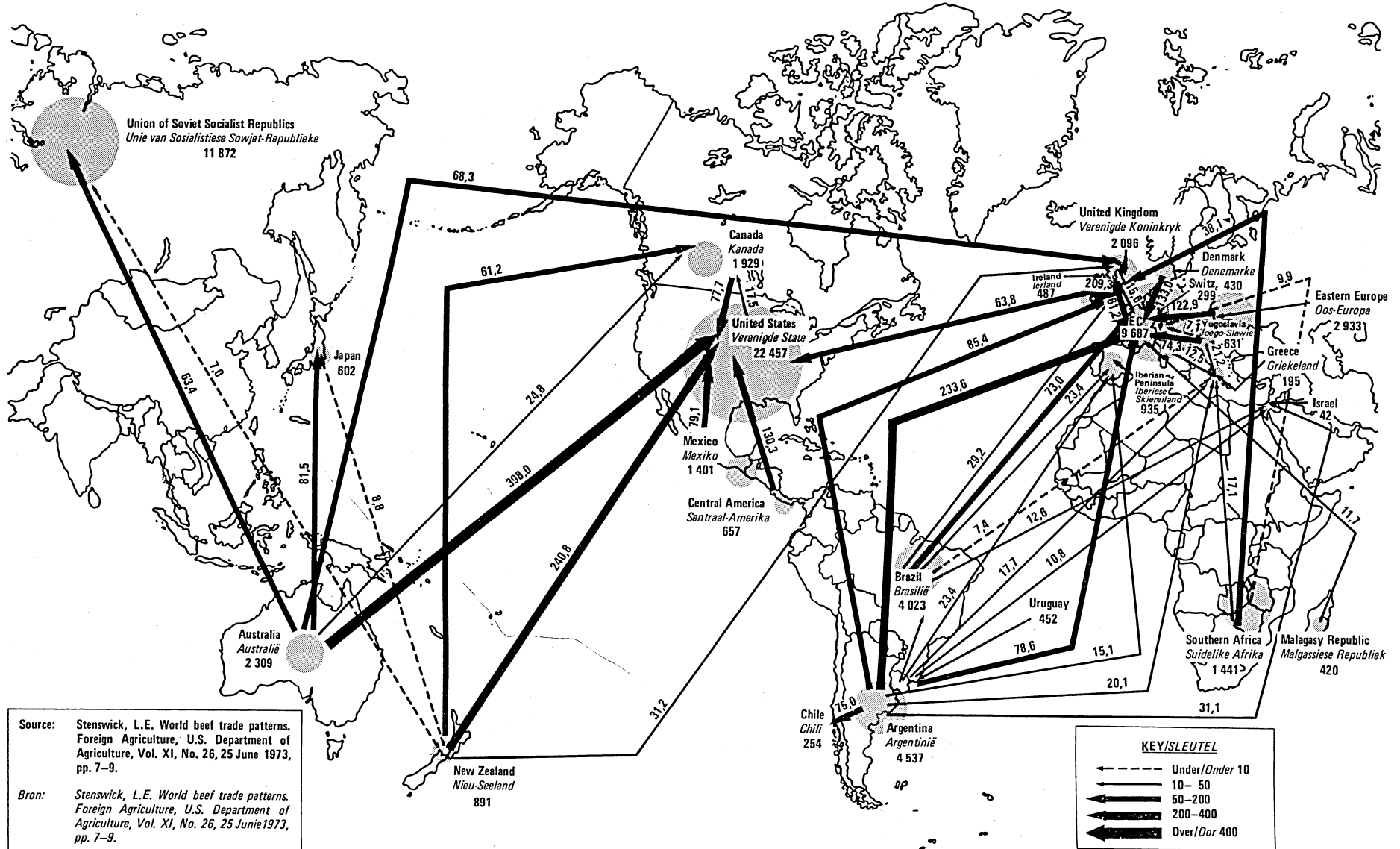
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
			Tons	
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic — November 1972	7 520 043	5 479 649	72,9%
Republic — November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

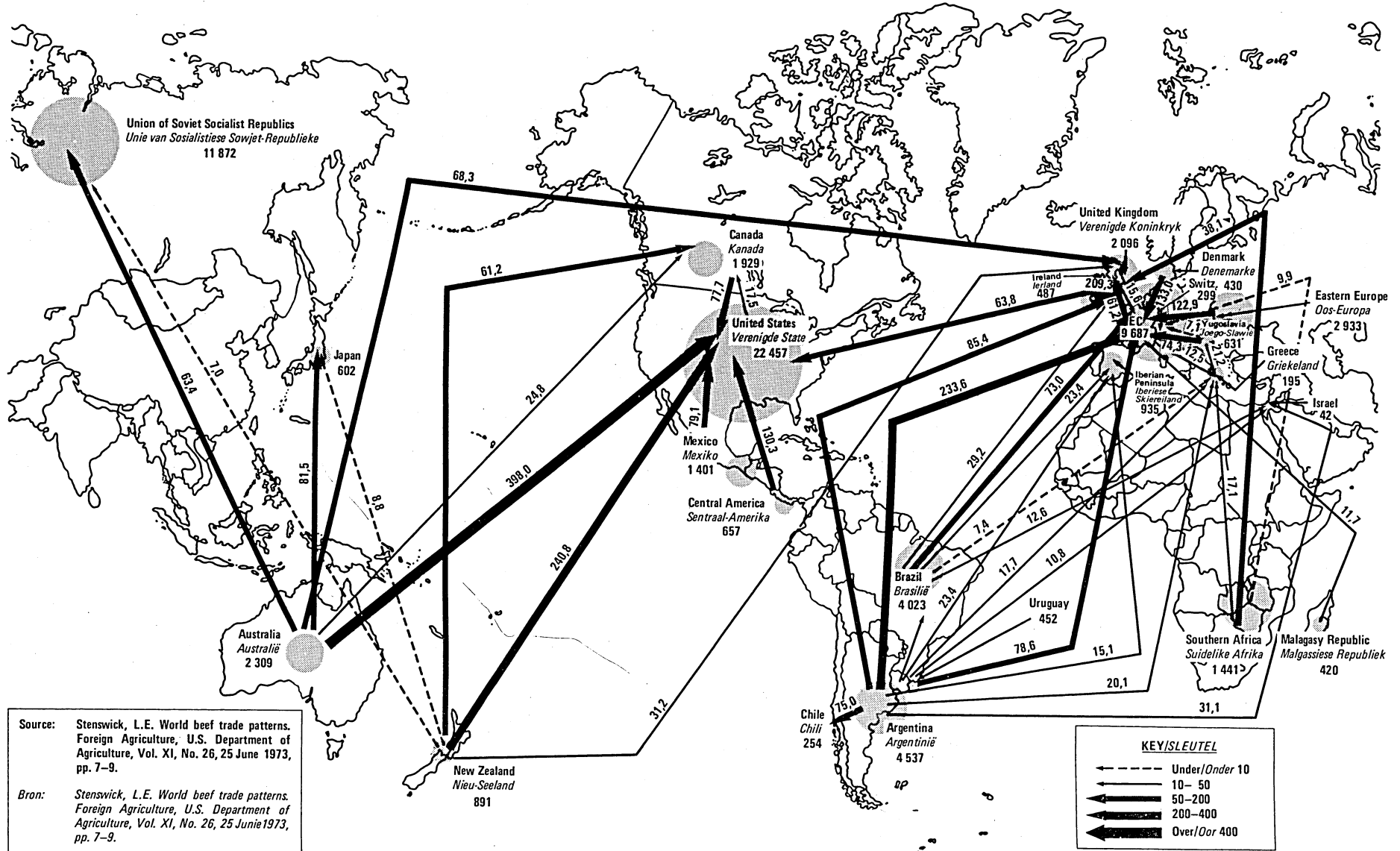
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

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(a) Expenditure

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Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
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In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

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Changes in the consumer price index (April 1970 = 100)

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Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic — November 1972	7 520 043	5 479 649	72,9%
Republic — November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

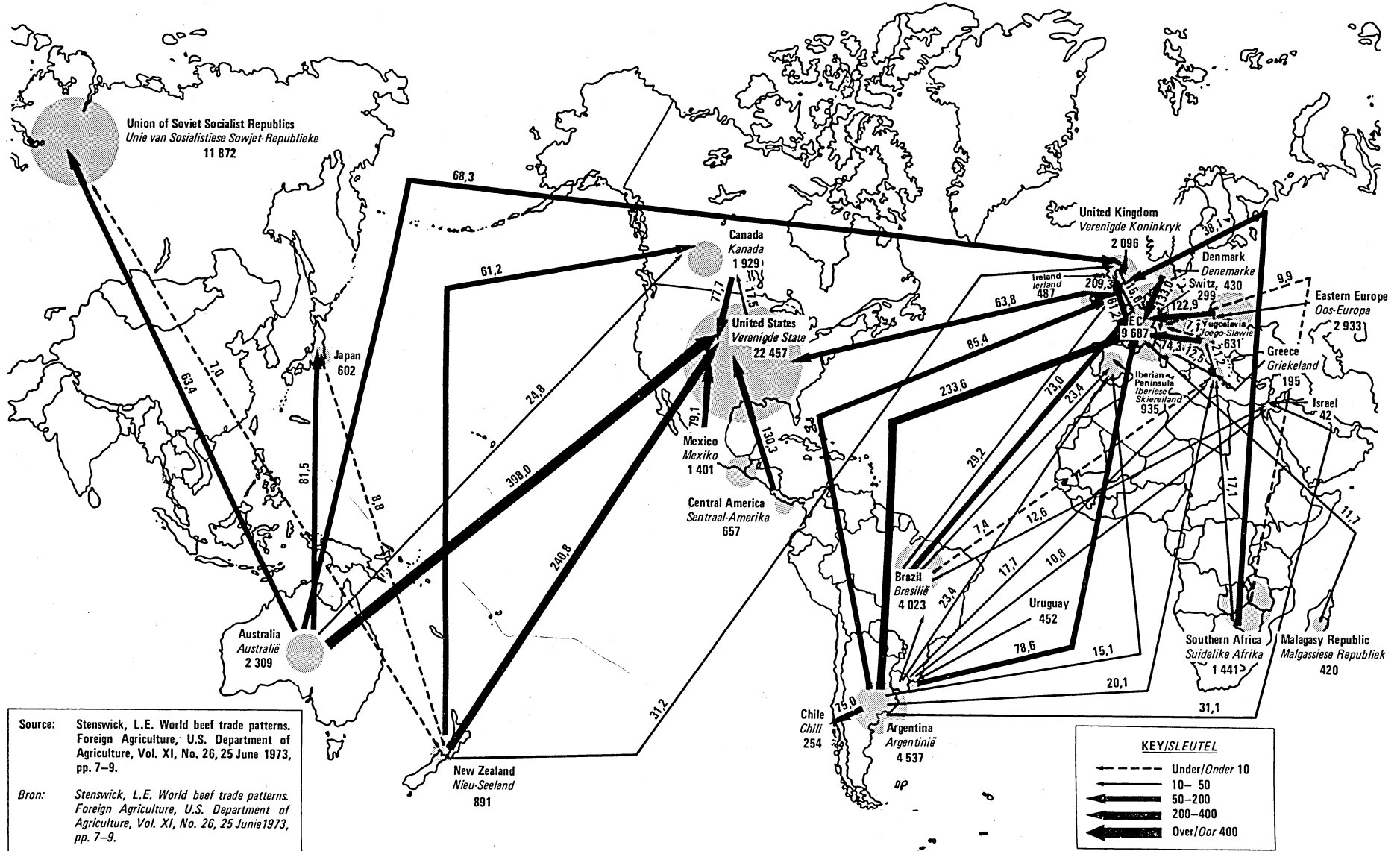
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
April—June	377	342	355
July—September	275	376	303
October—December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	144	111	84	130
April—June	268	239	260	112
July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) *Prices of farming requisites*

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) *Field products*

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) *Horticultural products*

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) *Livestock products*

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

facturers ± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

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major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

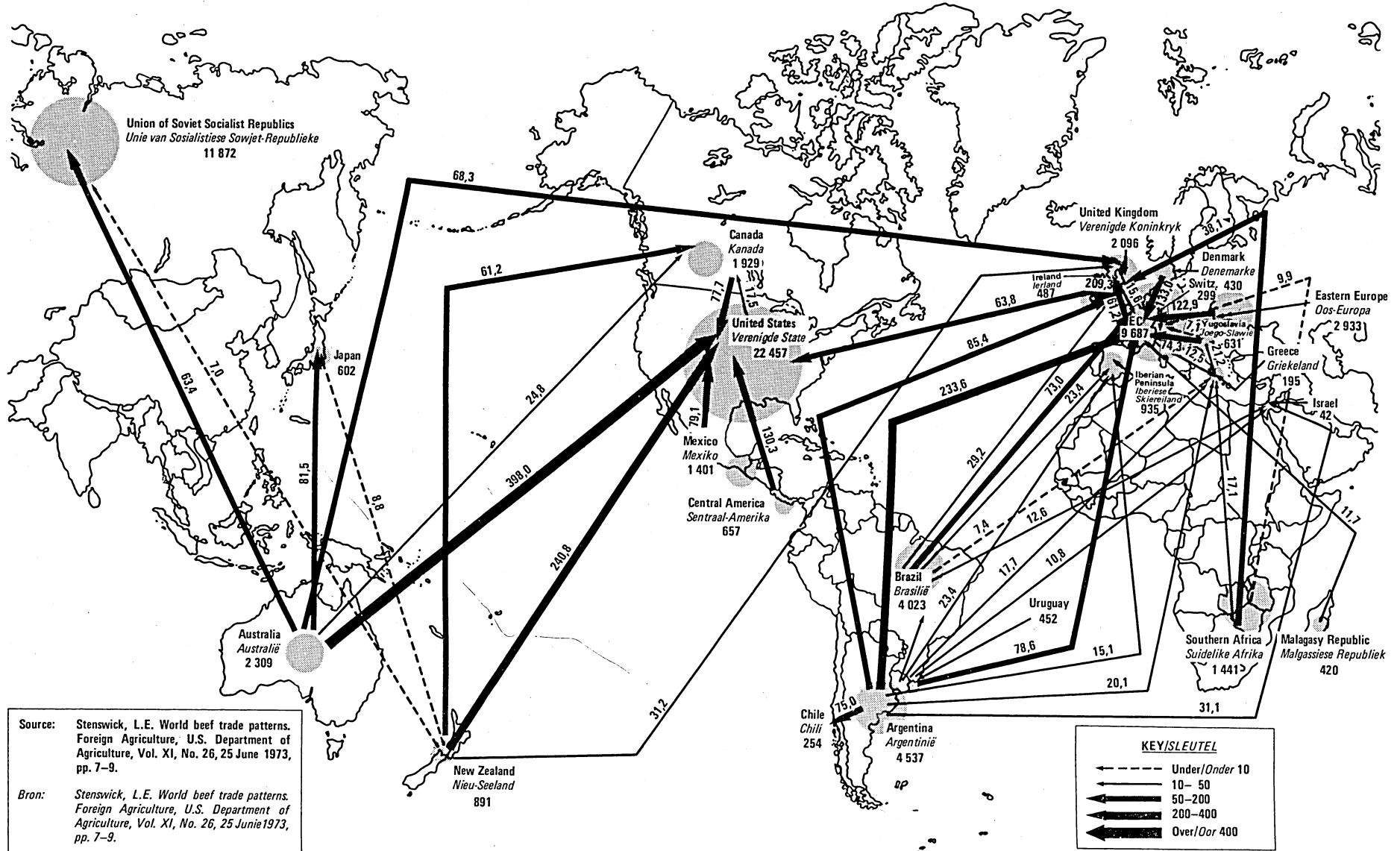
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 -. Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1974	58,75	32,00	11,75	43,75

LIVESTOCK

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Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

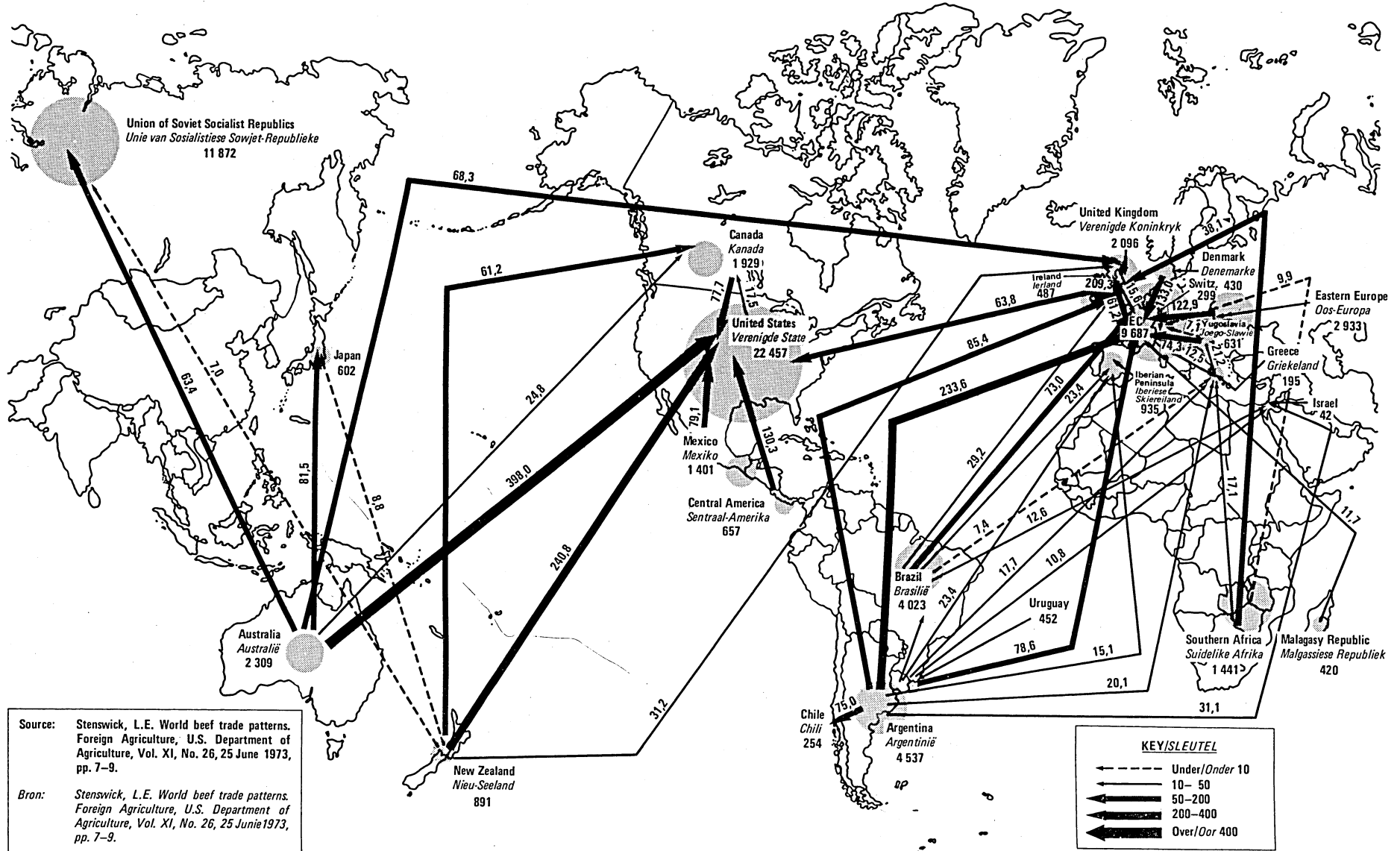
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cultivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

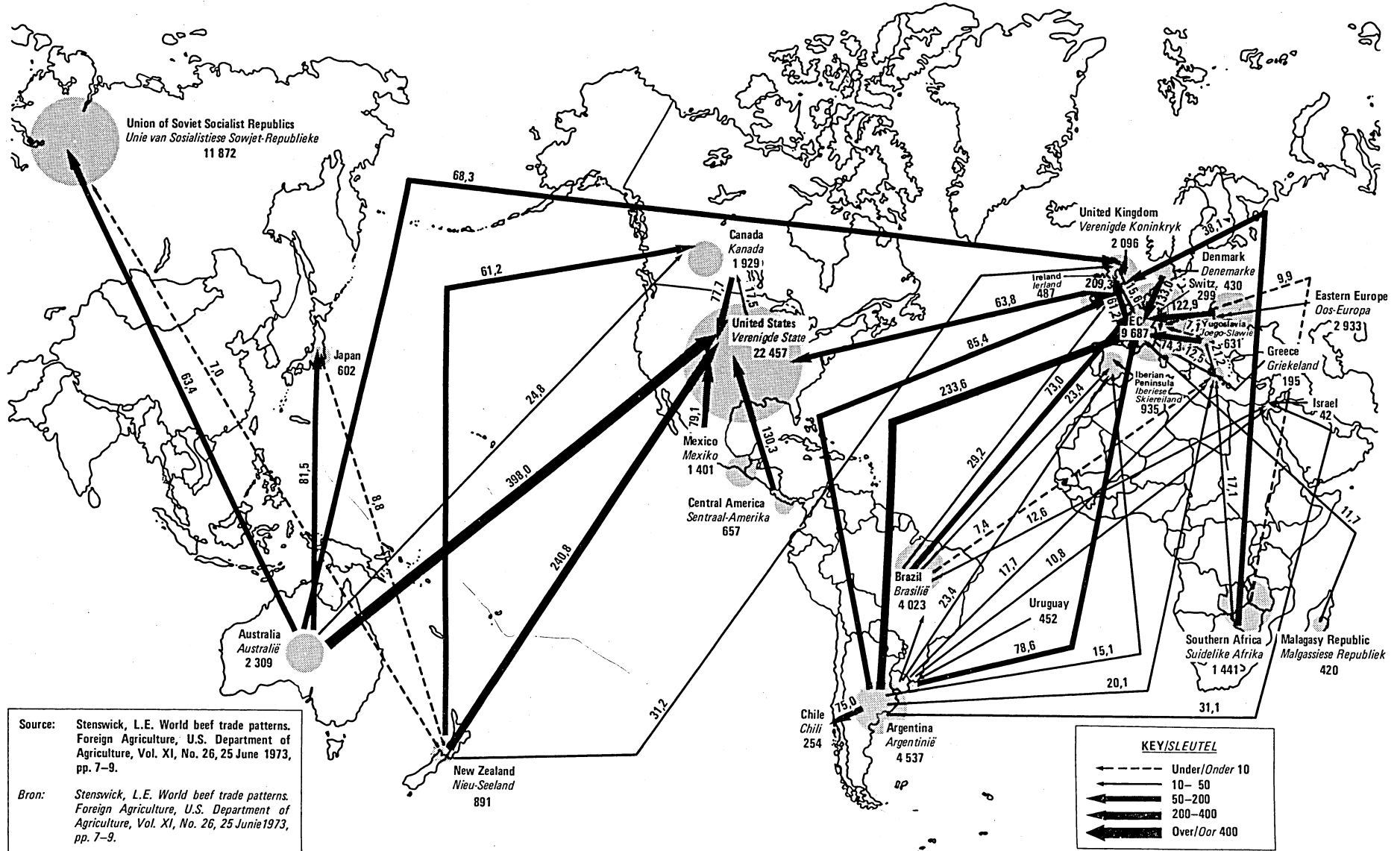
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales	Proceeds	Consumption
	1 000 kg	R	1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

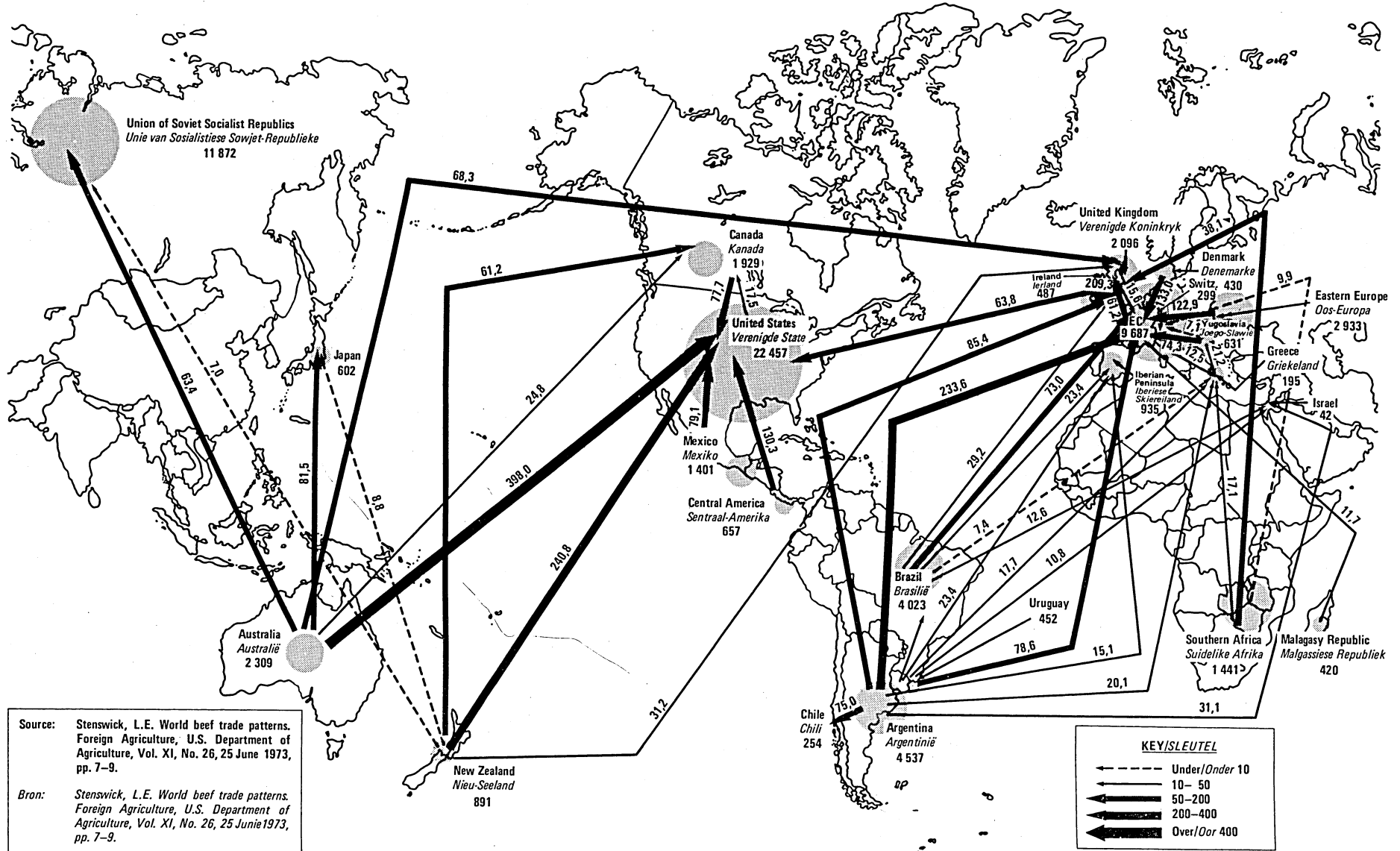
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

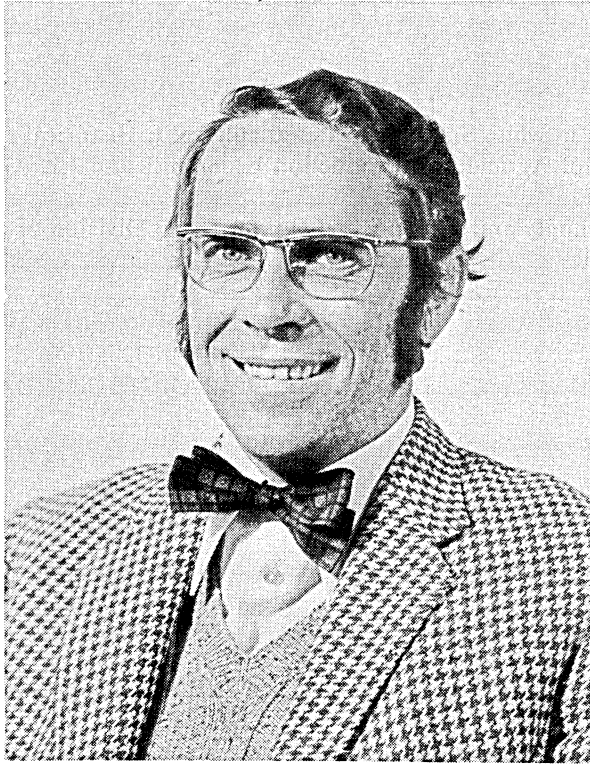
Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January-March	258	215	177
April-June	377	342	355
July-September	275	376	303
October-December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January-March	144	111	84	130
April-June	268	239	260	112
July-September	165	270	208	61
October-December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

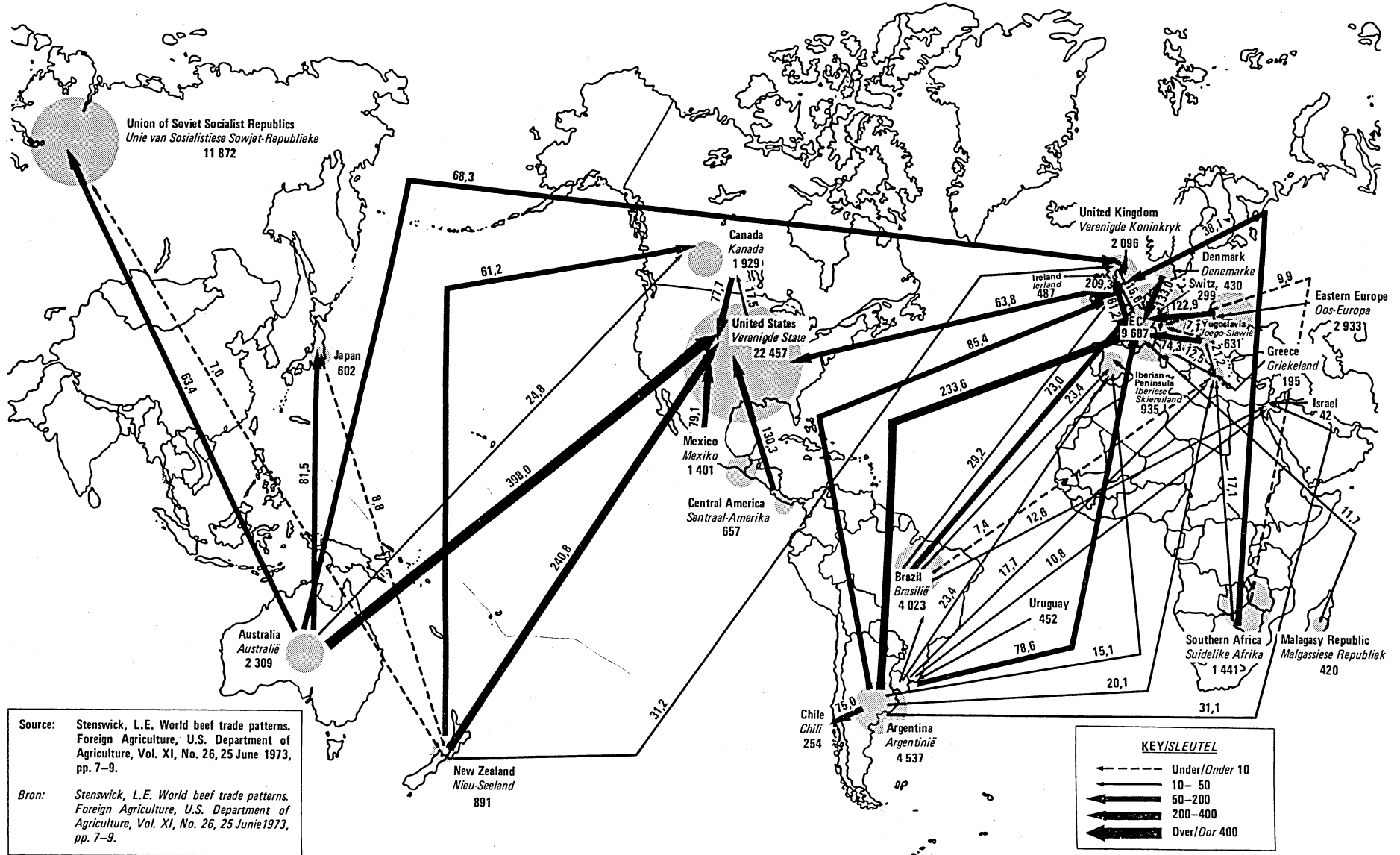
30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)

52



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)			7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

MAIZE

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 – 21.7.73	R4,20
22.7.73 – 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaal as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

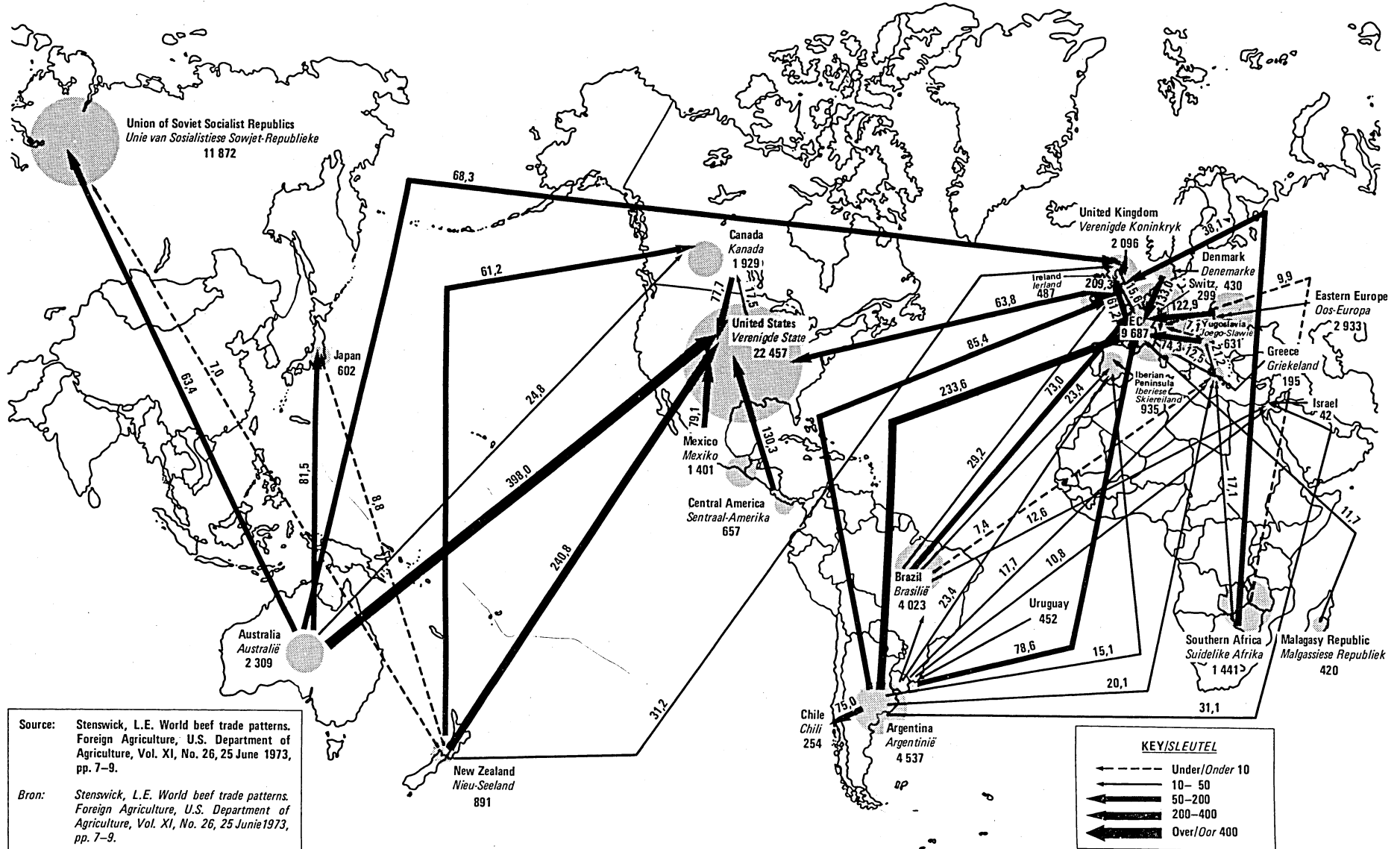
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

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October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

MAIZE

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas (’000 hectares)	336	181	322	380	186
Production (’000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973–28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
1972/73	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

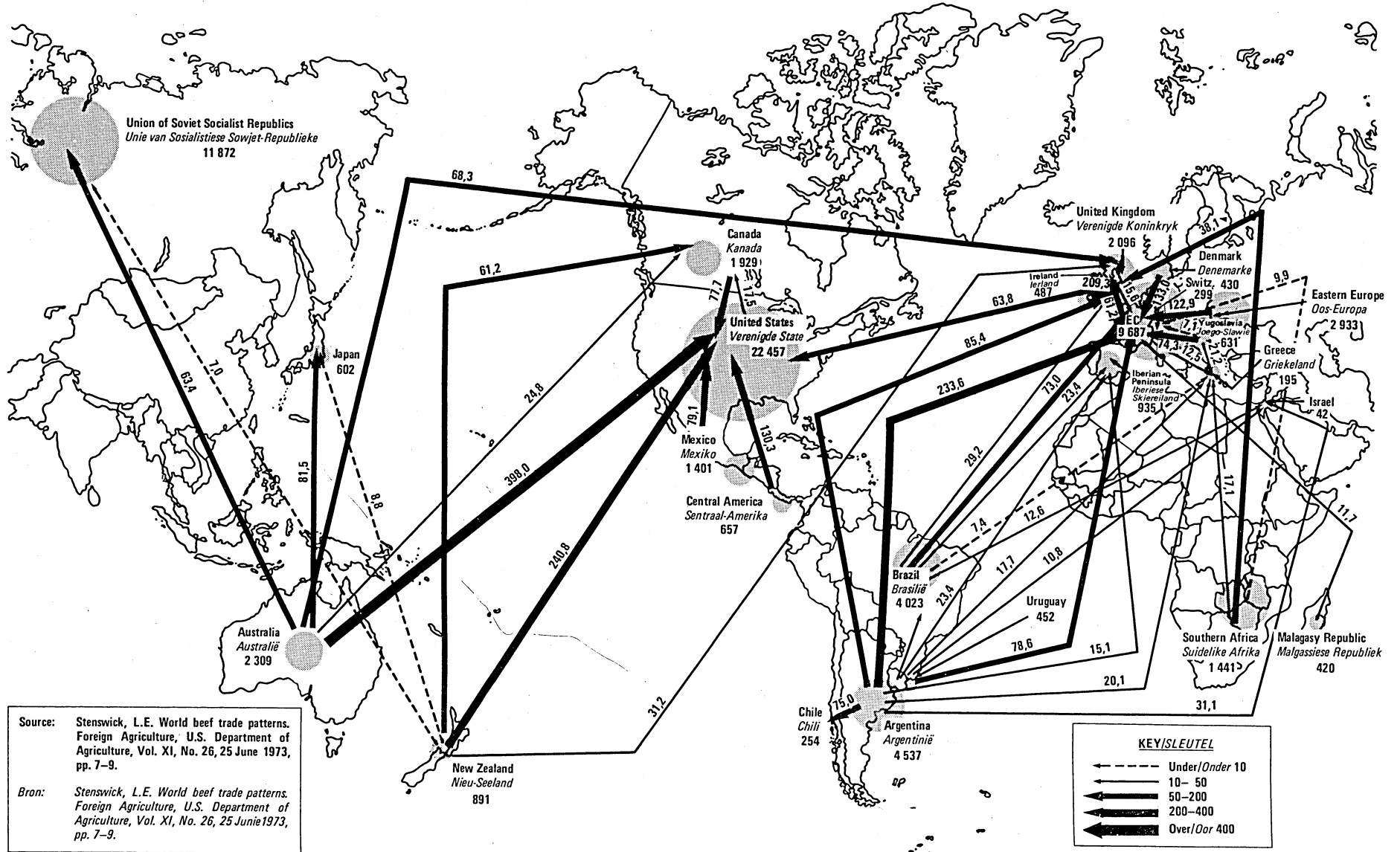
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31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

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WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

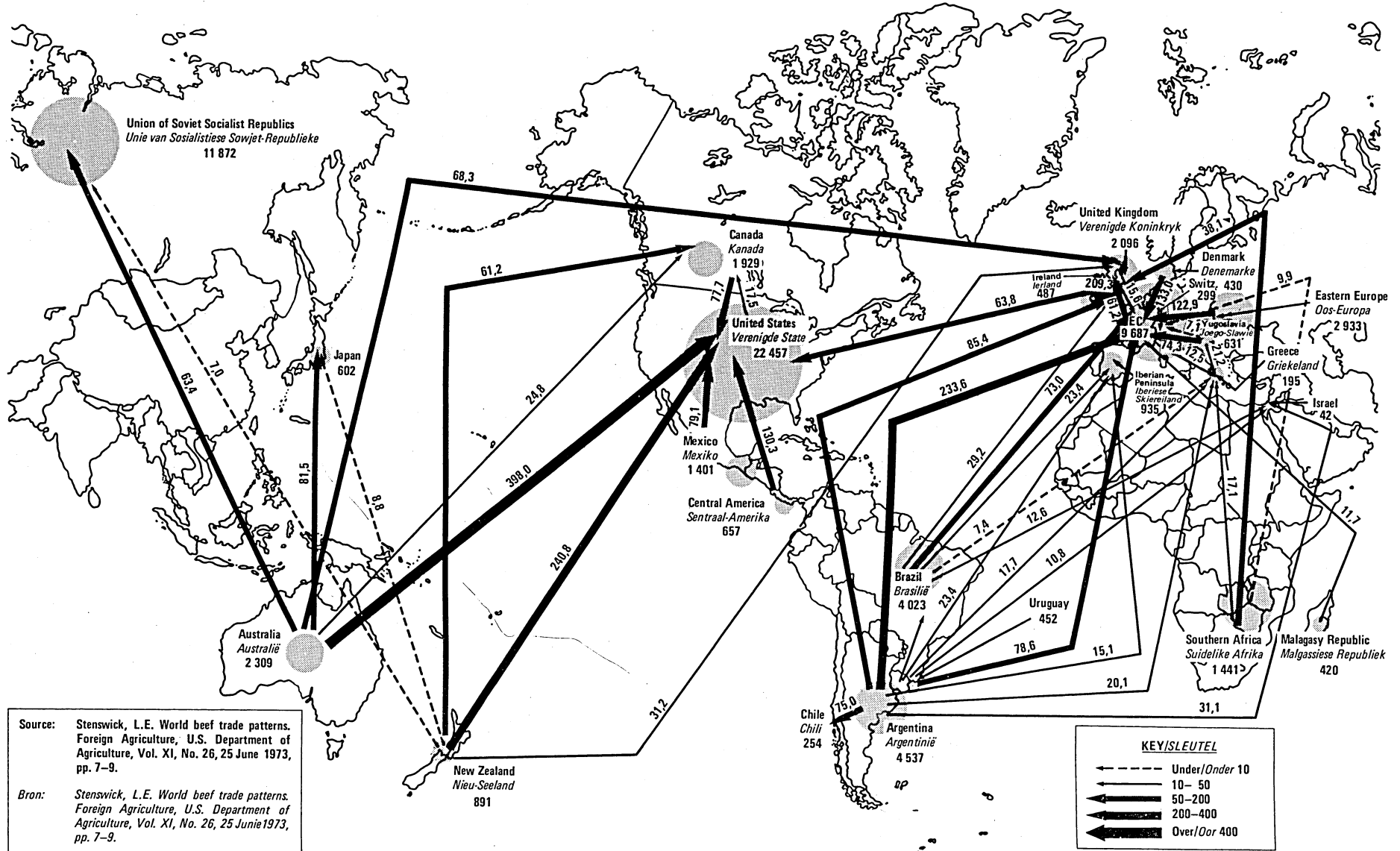
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

facturers ± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333-334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416-442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of arti-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

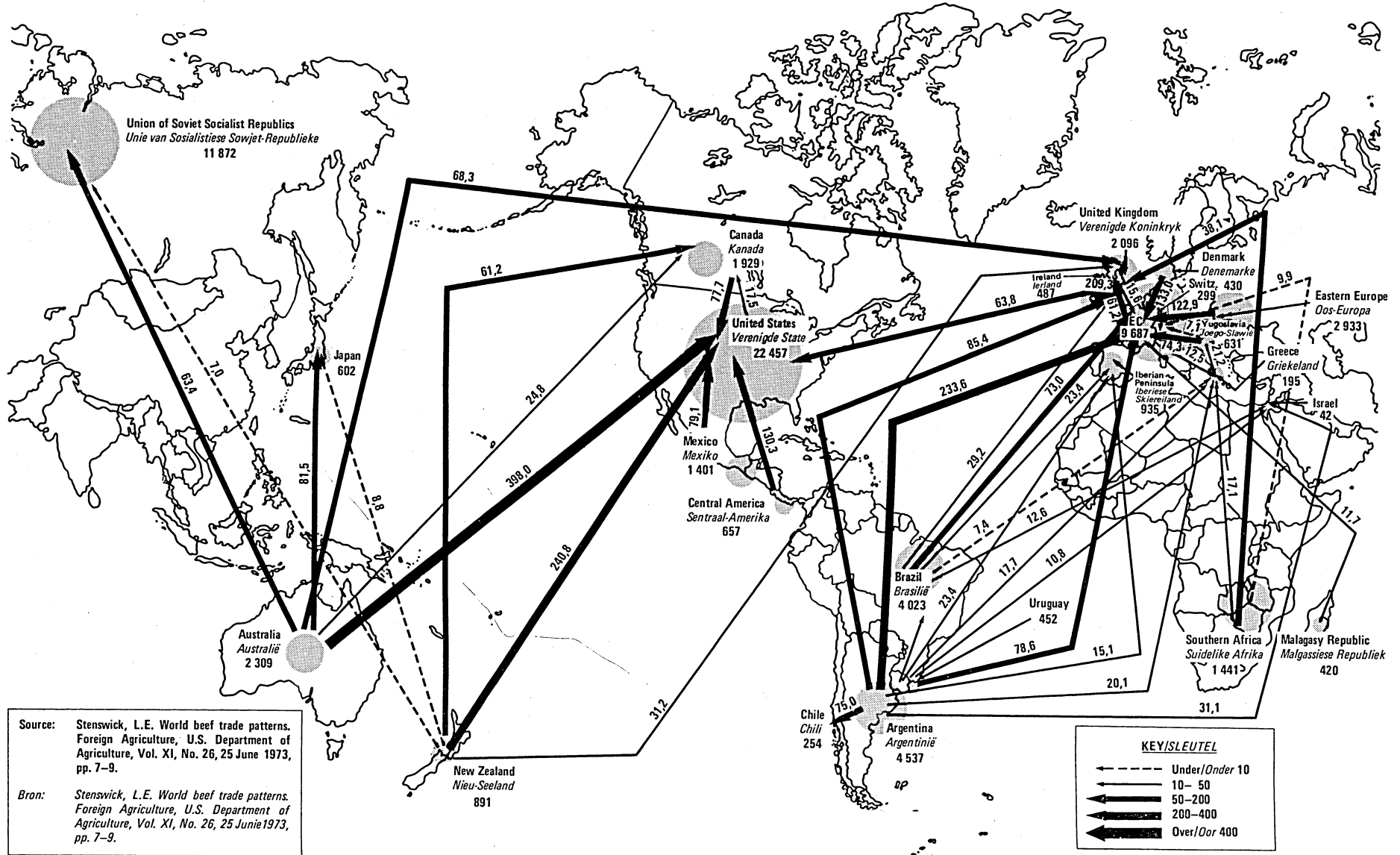
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

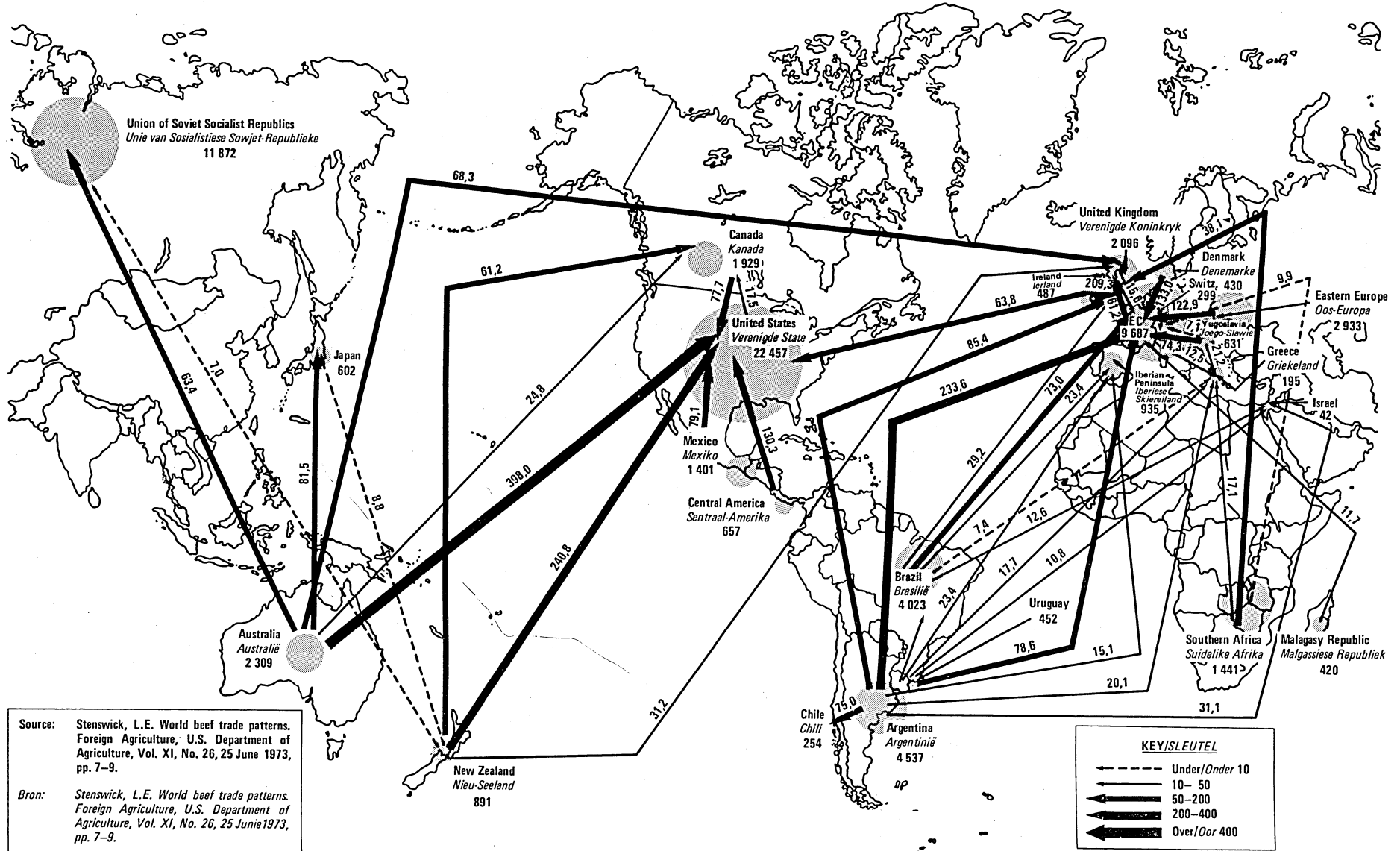
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 -. Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
			Tons	
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginners, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

facturers ± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

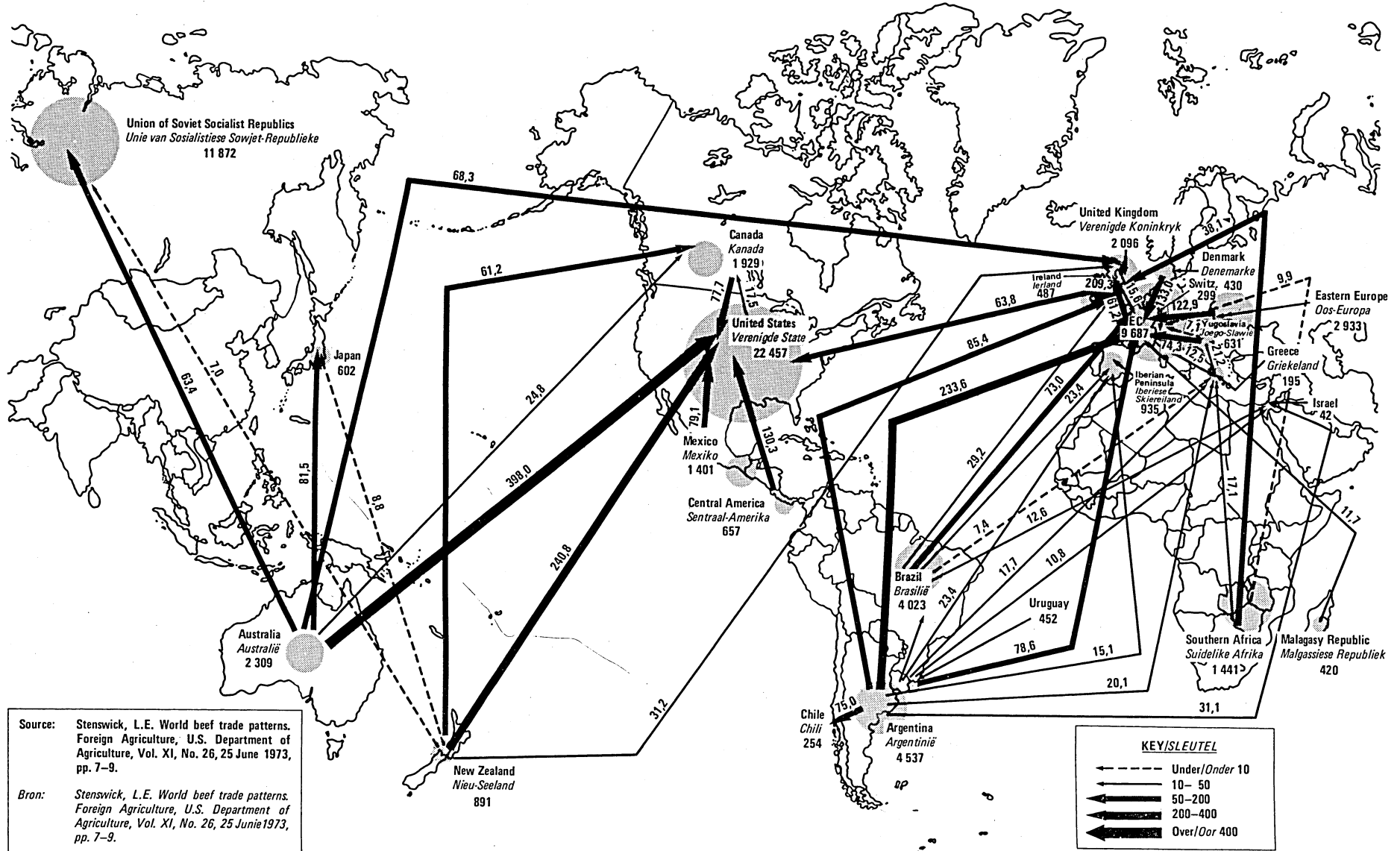
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73	1971/72	Increase
		c per unit		%
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73
		Tons		%
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

facturers ± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeka apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<div>1973 1972</div>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
1972/73	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

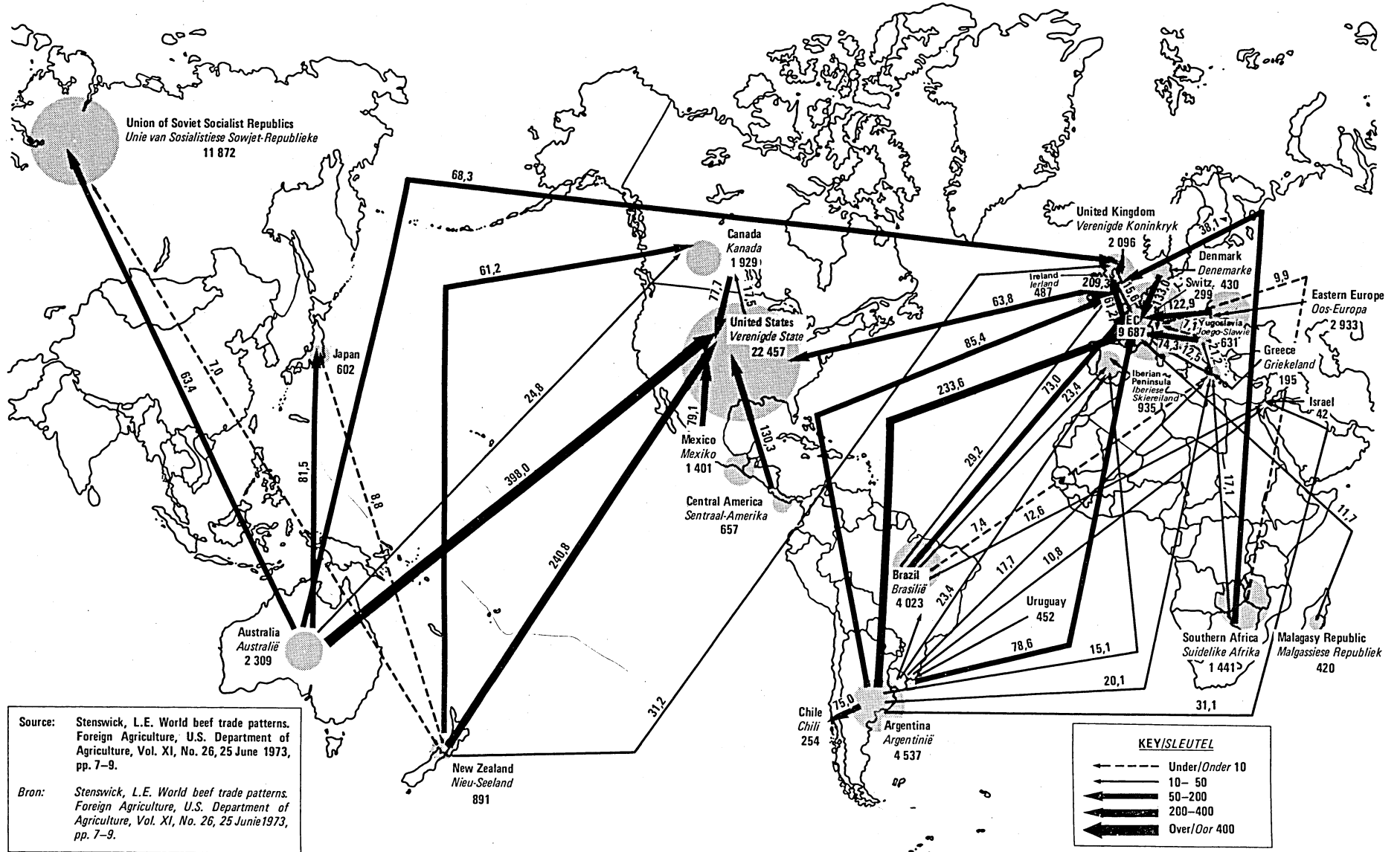
30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)

52



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manu-

facturers

± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73	1971/72	Increase
		c per unit		%
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73
		Tons		%
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

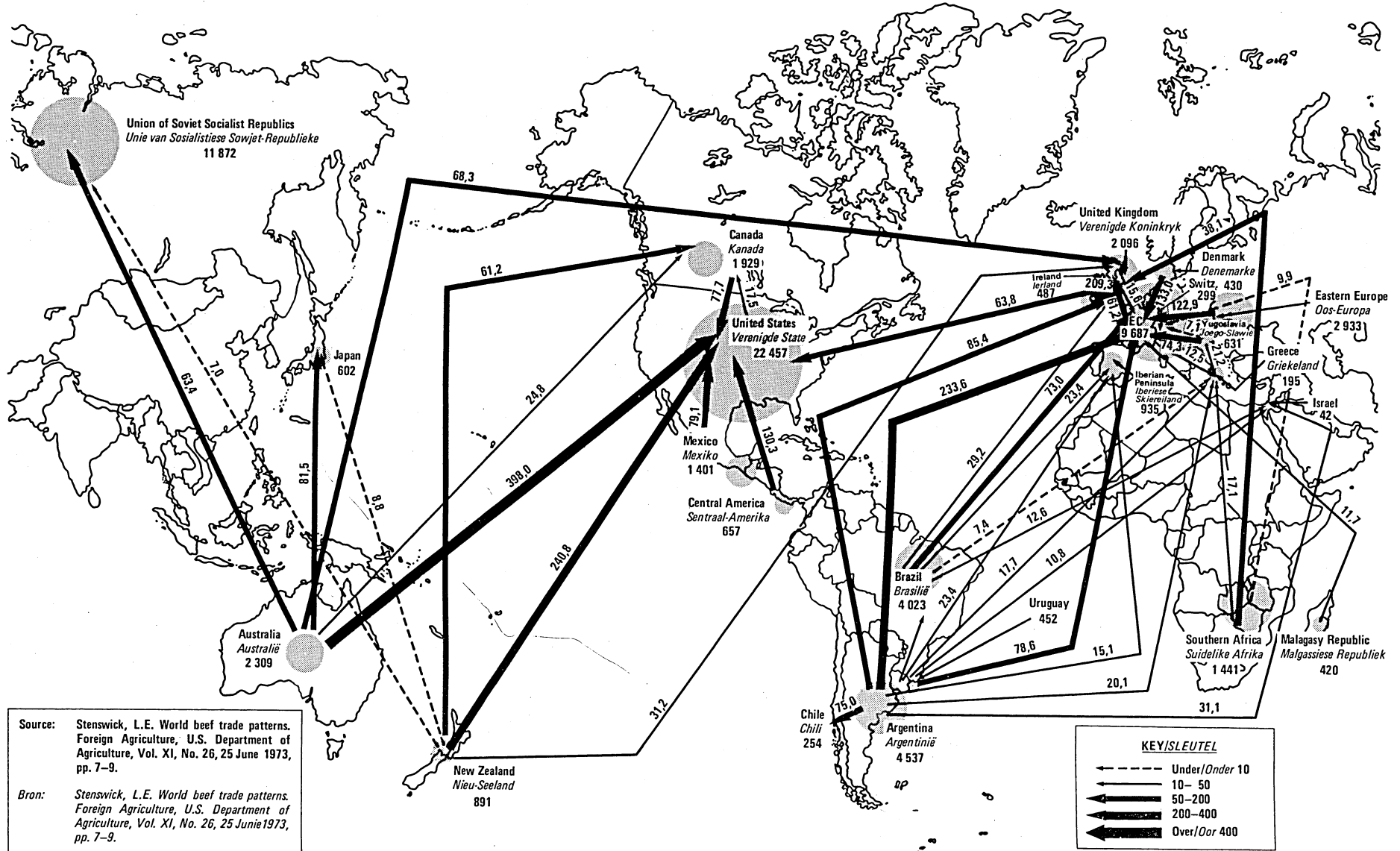
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244—245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899—1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

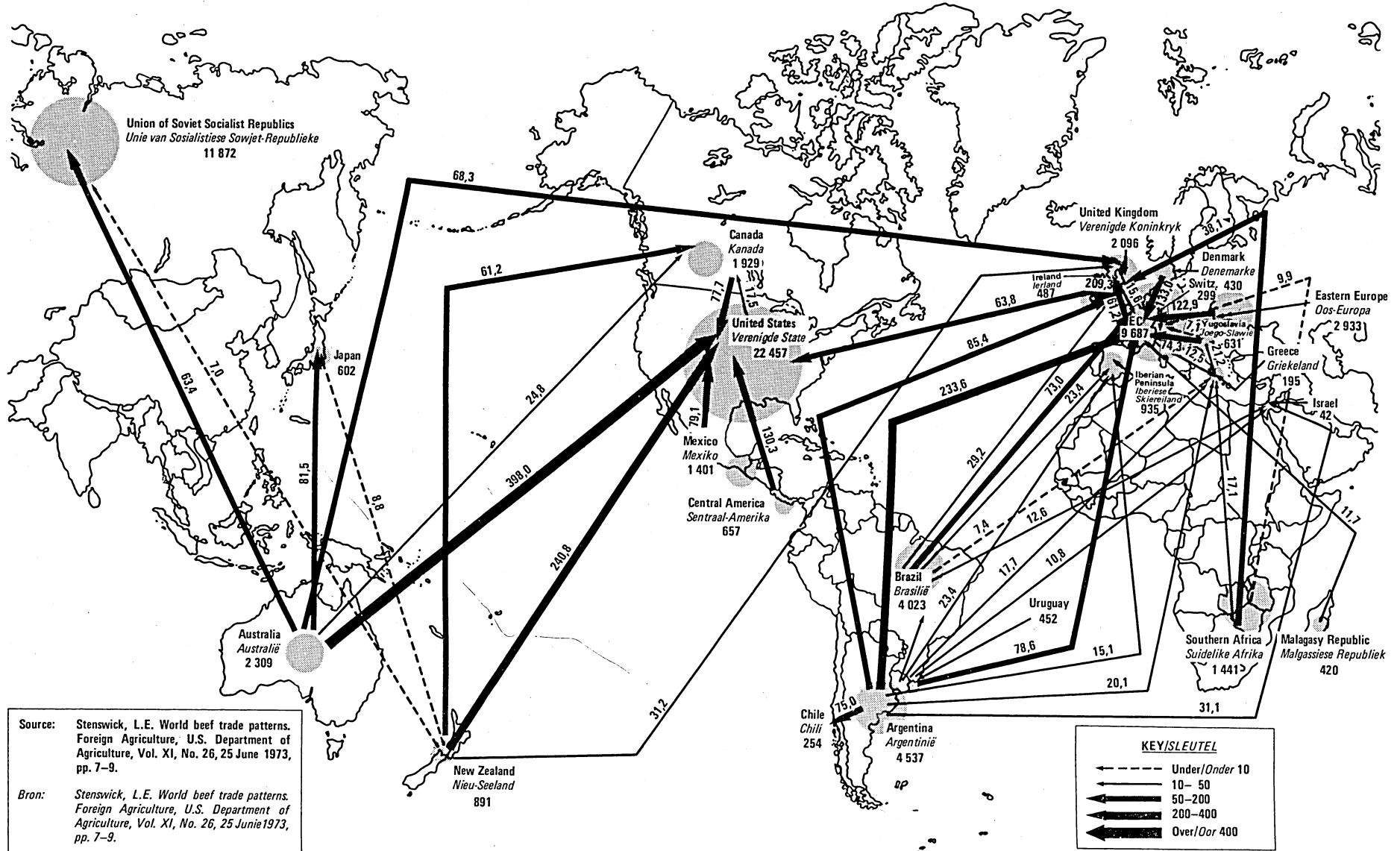
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

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WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
April—June	377	342	355
July—September	275	376	303
October—December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	144	111	84	130
April—June	268	239	260	112
July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) *Prices of farming requisites*

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) *Field products*

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) *Horticultural products*

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) *Livestock products*

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

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INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manu-

facturers

± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

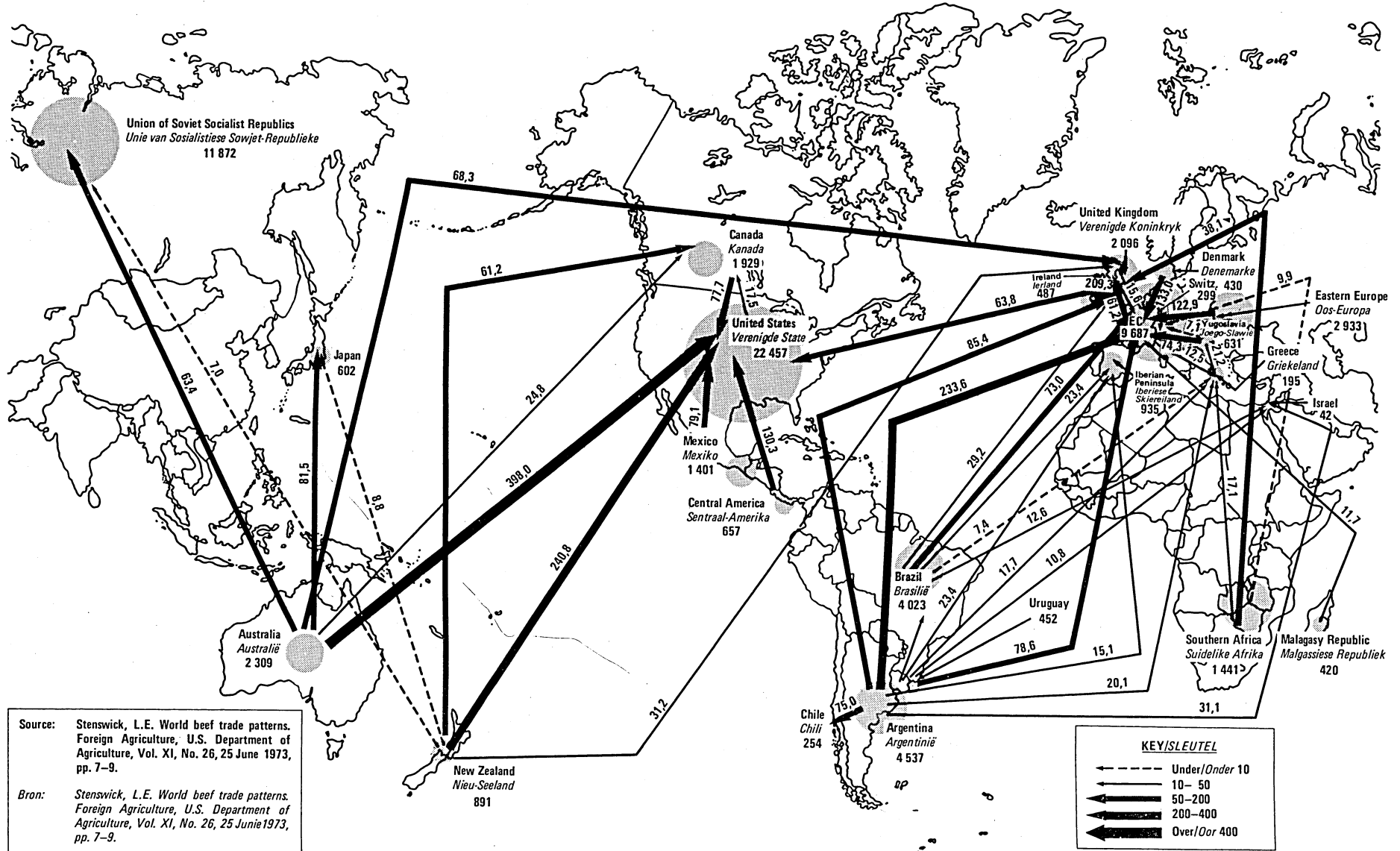
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
					%
					1 000 hectares
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

1971/72	4 741	3 859	8 600
1972/73	5 219	4 264	9 483
1973/74	2 010	2 201	4 211
1974/75	-	-	10 450
<u>1974/75</u>	-	-	248%
<u>1973/74</u>			

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

facturers ± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

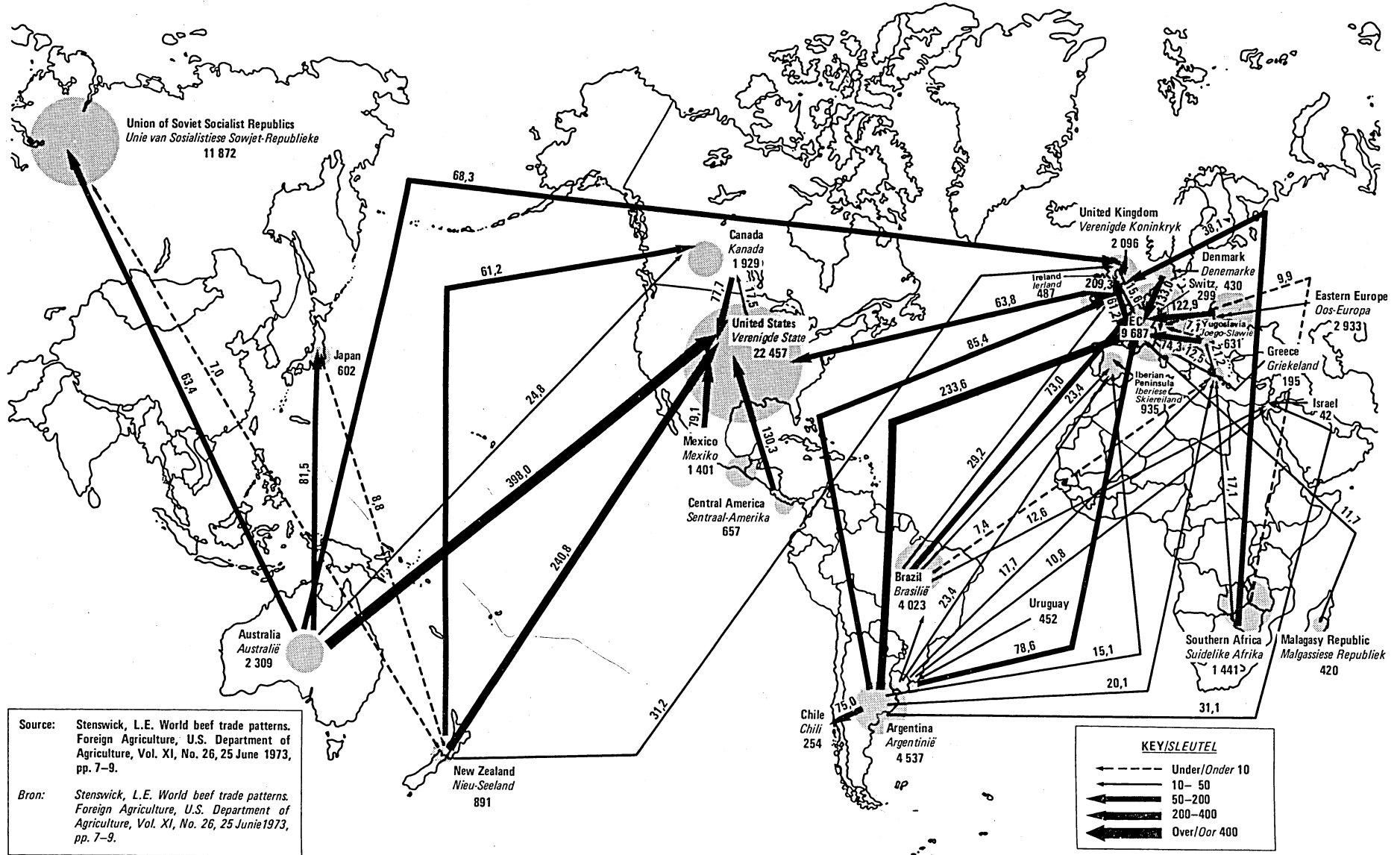
30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)

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Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
					%
					1 000 hectares
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

SUGAR-CANE

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*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 – 21.7.73	R4,20
22.7.73 – 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

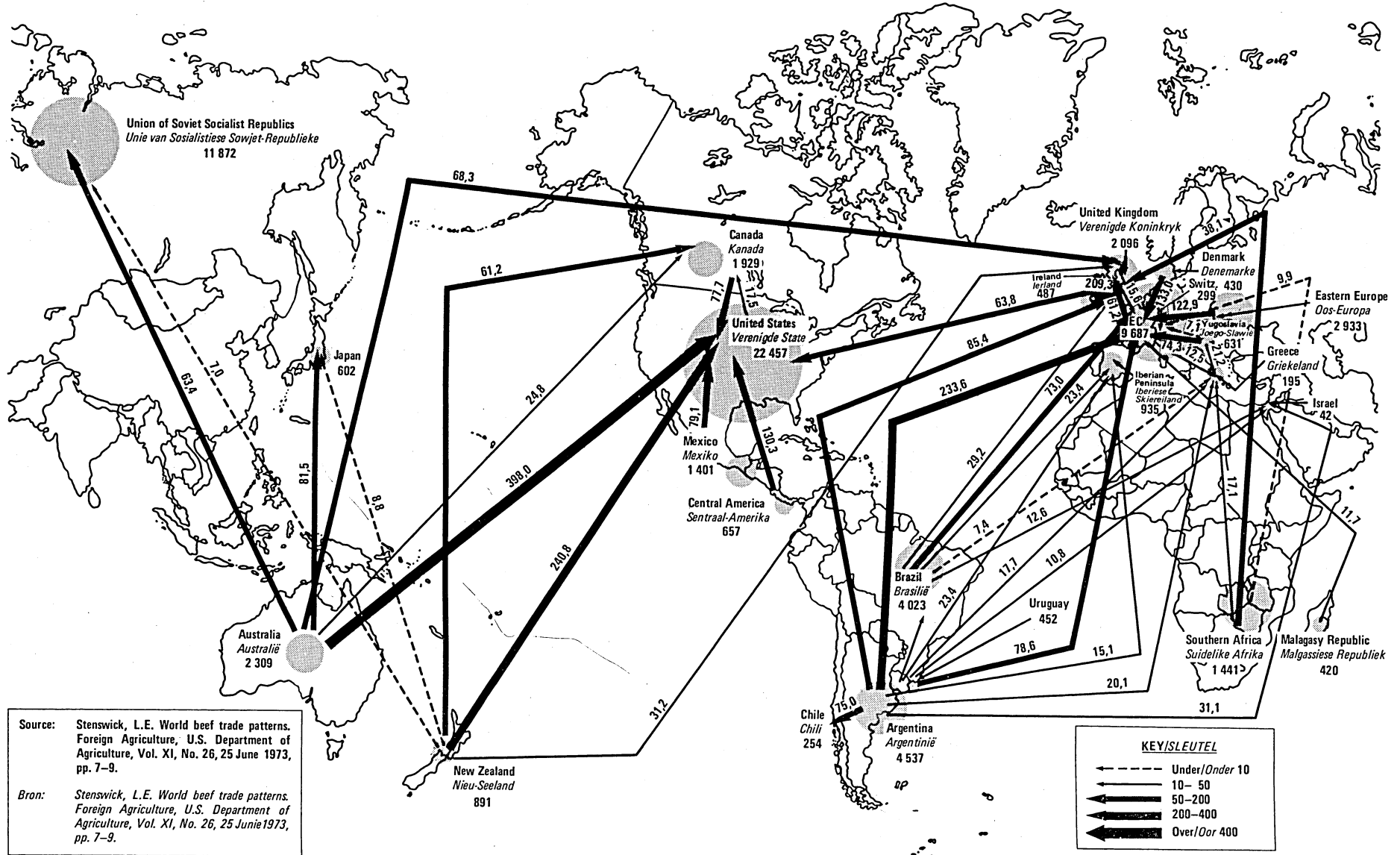
30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)

52



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
April—June	377	342	355
July—September	275	376	303
October—December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	144	111	84	130
April—June	268	239	260	112
July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 – 21.7.73	R4,20
22.7.73 – 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). The aftermath of war. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). The Milner papers. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

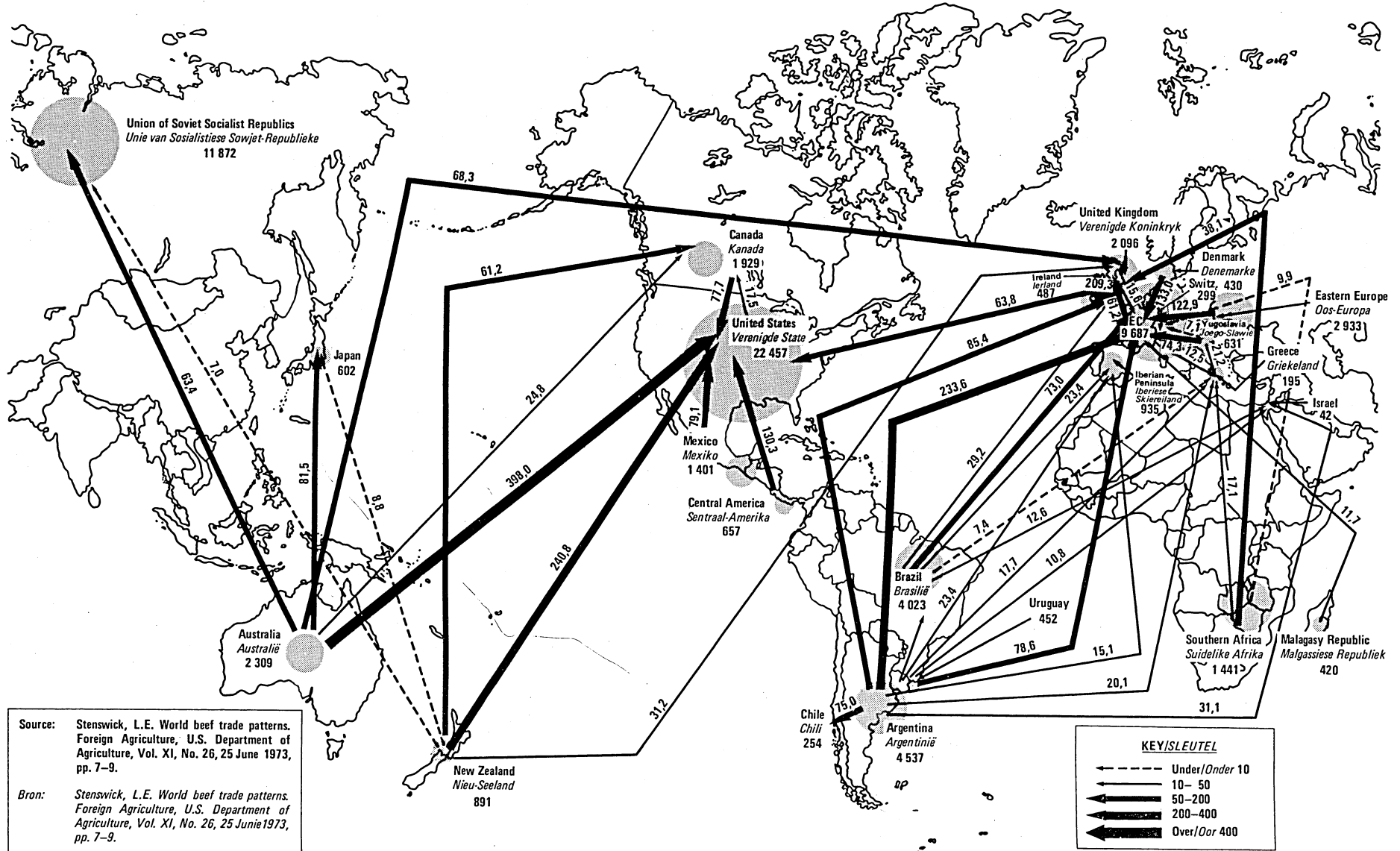
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)			7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January-March	258	215	177
April-June	377	342	355
July-September	275	376	303
October-December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January-March	144	111	84	130
April-June	268	239	260	112
July-September	165	270	208	61
October-December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas (’000 hectares)	336	181	322	380	186
Production (’000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973–28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

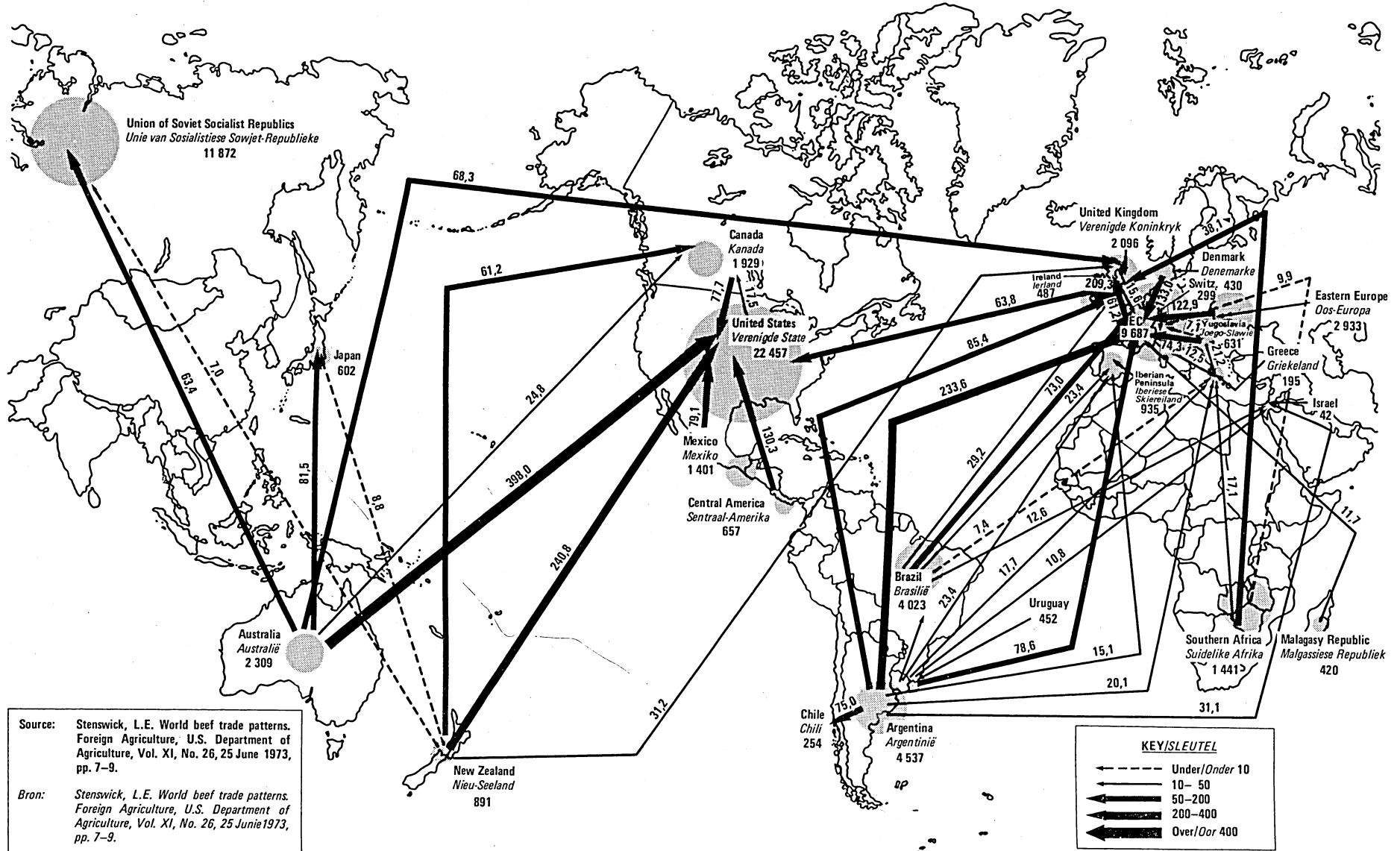
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> 1972
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> 1973
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> 1972
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> 1971
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales	Proceeds	Consumption
	1 000 kg	R	1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing dom-

estic demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

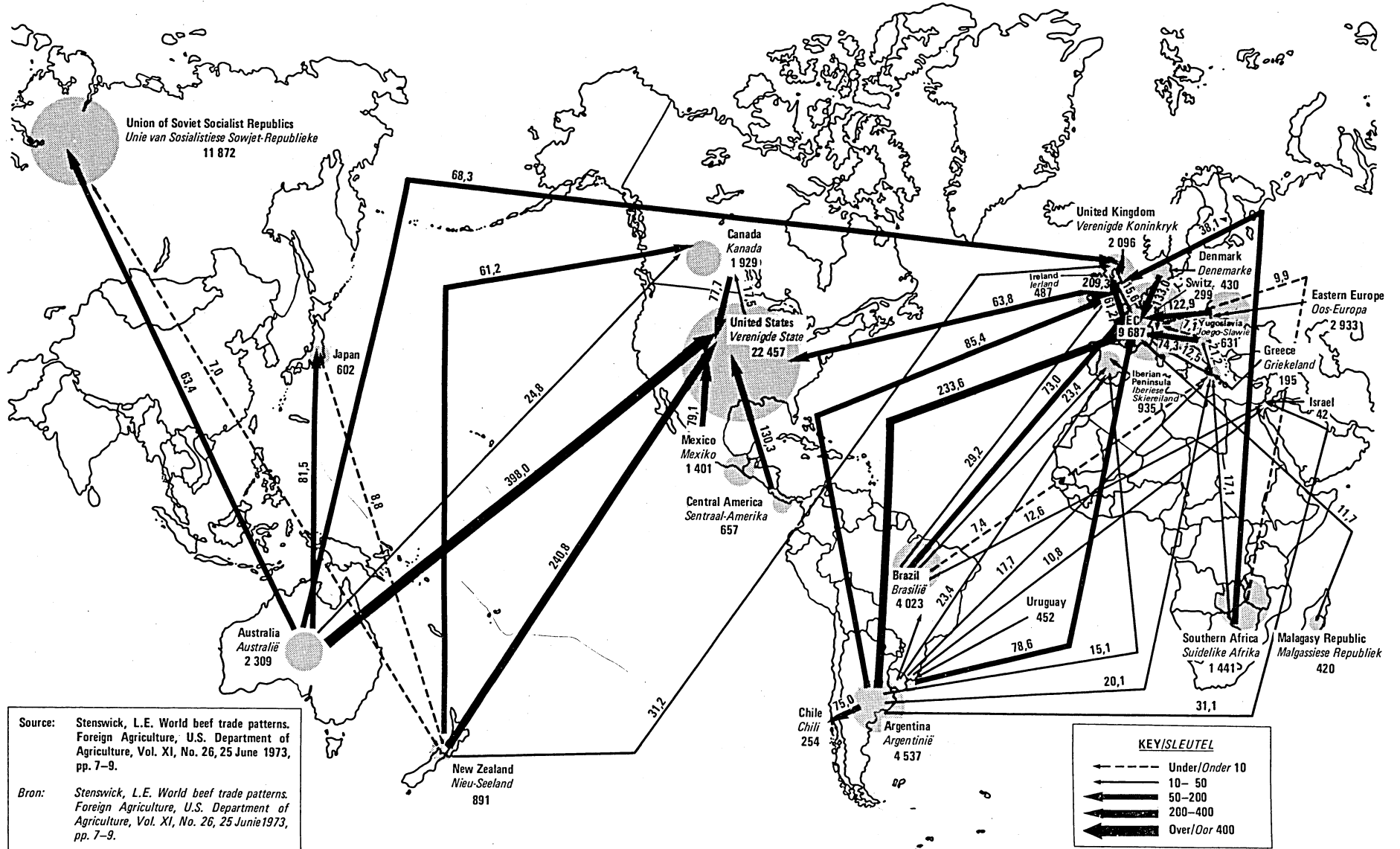
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

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WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

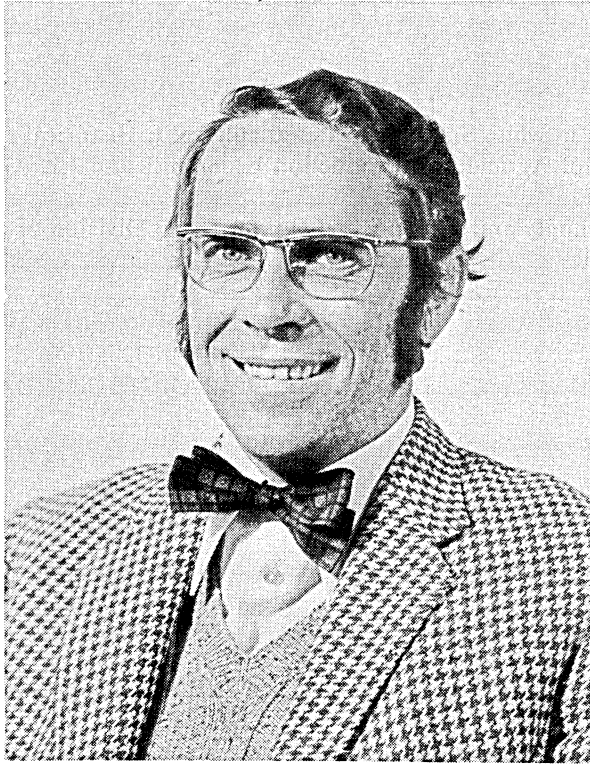
Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manu-

facturers

± 15 500 13 843 10 996 13 042 112

The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73	1971/72	Increase
		c per unit		%
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73
		Tons		%
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of arti-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

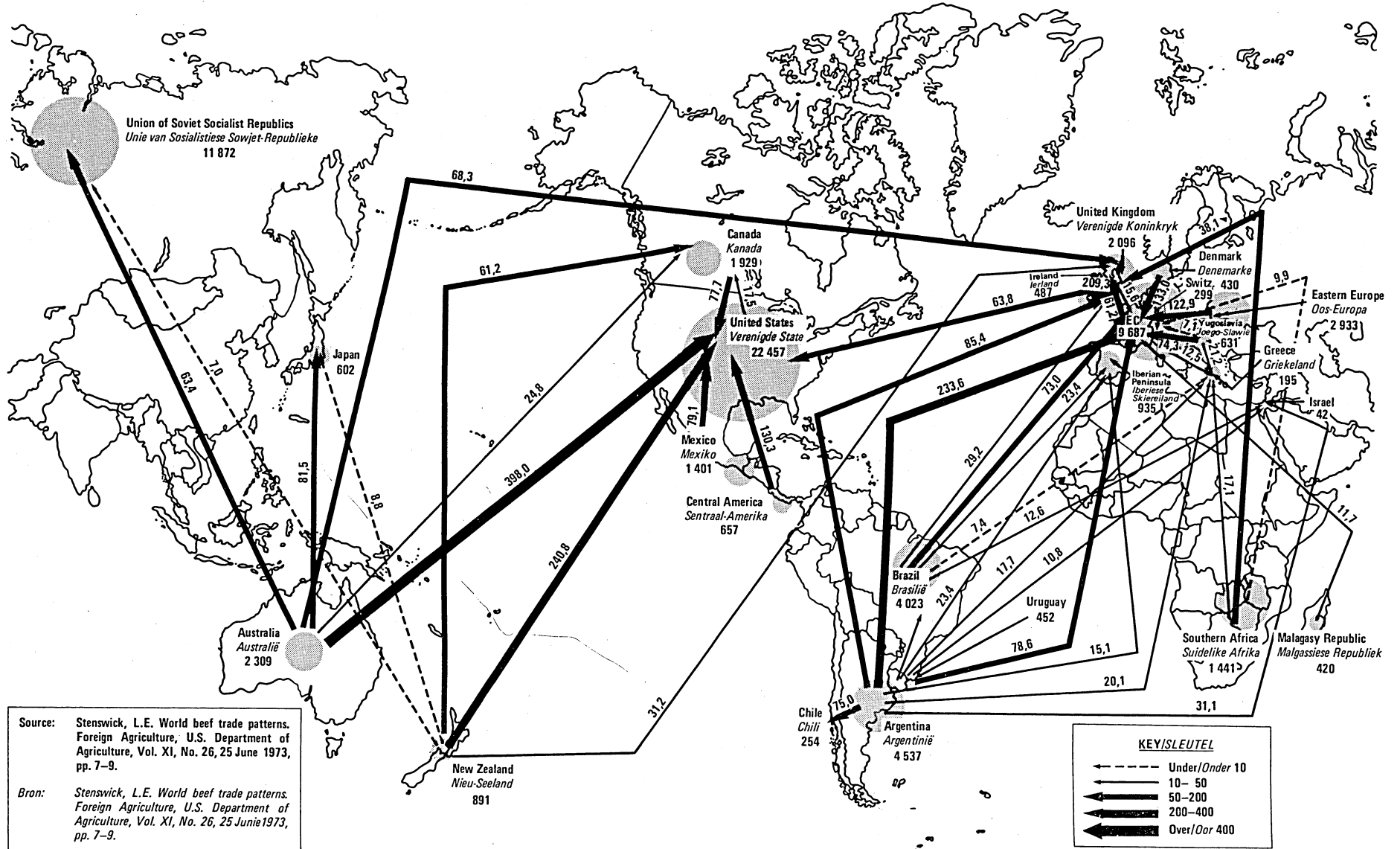
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)			7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January–March	258	215	177
April–June	377	342	355
July–September	275	376	303
October–December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	$\frac{1973}{1972}$
	R million			%
January–March	144	111	84	130
April–June	268	239	260	112
July–September	165	270	208	61
October–December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
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Field crop production	520	747	708	70
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Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
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Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
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July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
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July—September	132	119	118	111
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Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

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After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			%
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

	1973/74	1972/73	1971/72
Prices			
	Rand per ton		

Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginners, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cultivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. *S. Afr. J. Econ.*, 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

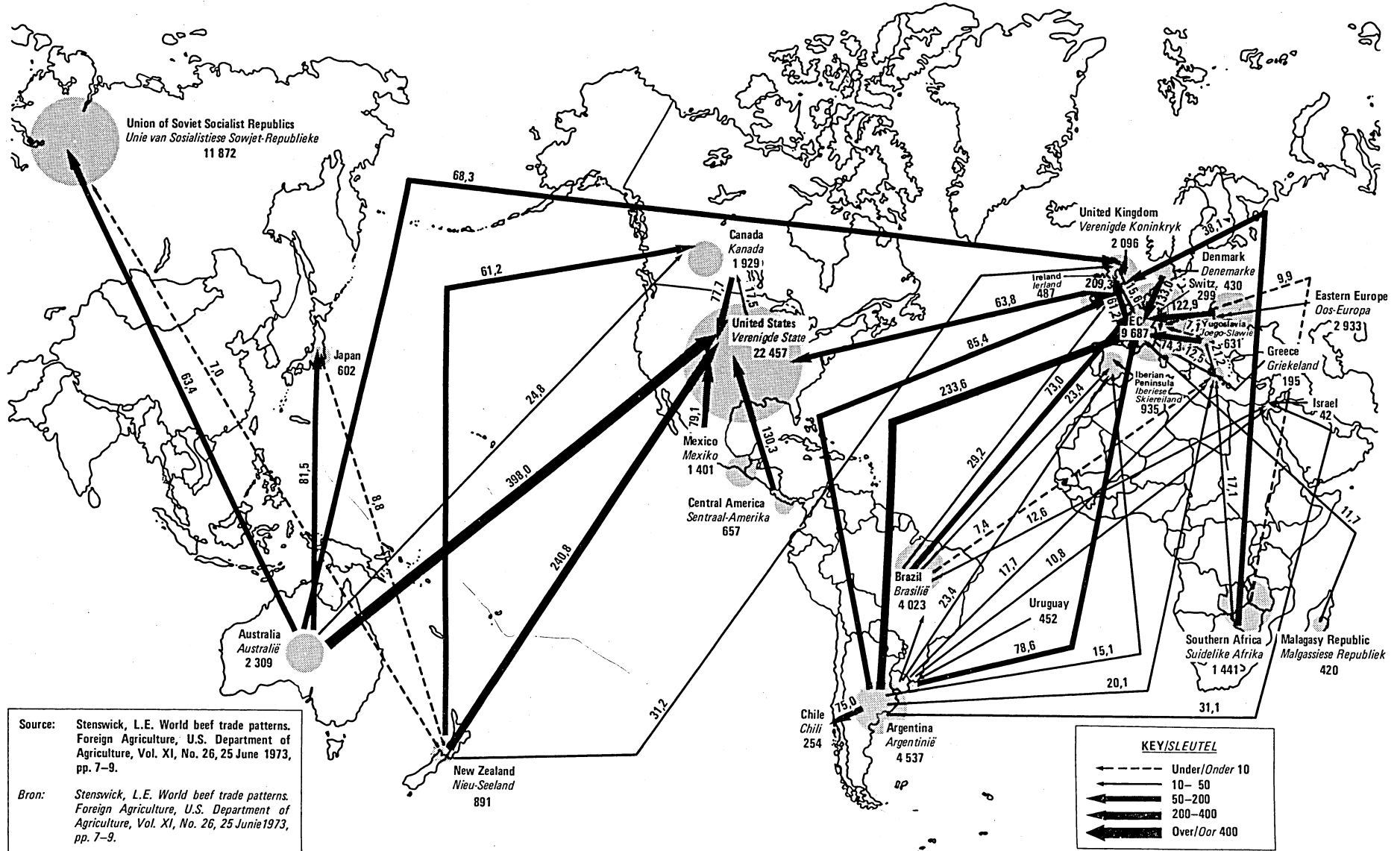
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 -. Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January-March	258	215	177
April-June	377	342	355
July-September	275	376	303
October-December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January-March	144	111	84	130
April-June	268	239	260	112
July-September	165	270	208	61
October-December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) *Prices of farming requisites*

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) *Field products*

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) *Horticultural products*

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) *Livestock products*

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> 1972/73
	1 000 hectares				%
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

BRANCHES OF THE INDUSTRY

FIELD HUSBANDRY

MAIZE

Production

The 1972/73 maize crop was the poorest in thirteen years. On the other hand, there are strong indications that the coming crop will be a record one. According to an official estimate 4,5 million ha have been planted to maize this year, as against 3,6 million ha the previous season. According to the first estimate, which was based on conditions at the end of February, the 1973/74 maize crop is placed at 10,5 million tons.

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

Local Marketing

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

Marketing channel	1973/74			1972/73			1971/72		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
	1 000 tons								
Sales to millers and other registered processers	2 359	1 939	4 298	2 433	1 156	3 589	2 461	998	3 459
Sales to dealers and consumers	119	291	410	189	305	494	83	178	261
Local sales by agents of the Board	8	144	152	13	108	121	11	105	116
Physical losses	0	1	1	8	2	6	10	1	11
Total	2 486	2 375	4 861	2 643	1 567	4 210	2 565	1 282	3 847

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73 %
		Tons		
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	—
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333-334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416-442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of arti-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

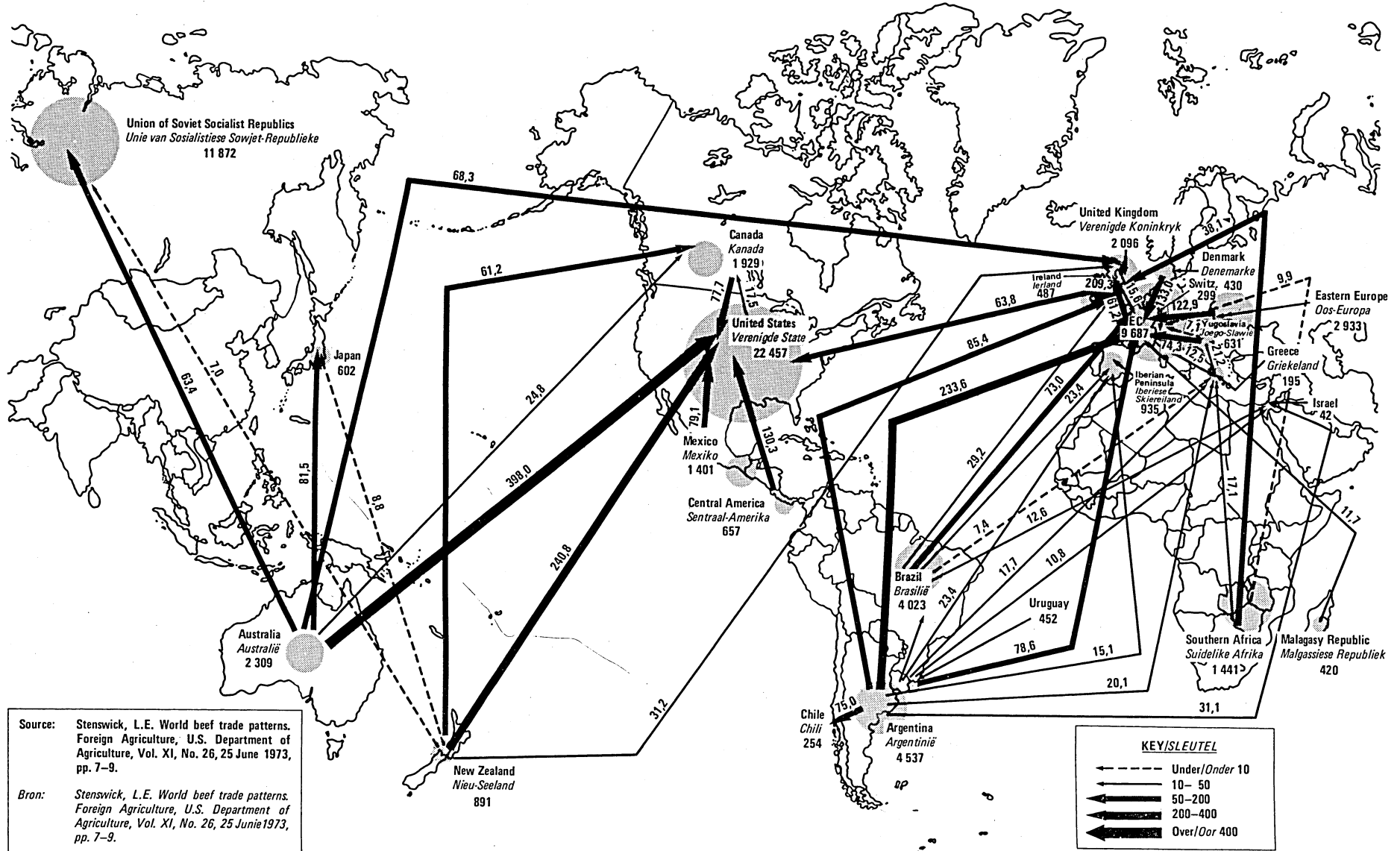
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)



Prof. J.A. Groenewald who receives the 1973 award
worth R50,00

S.J.J. DE SWARDT AGREKON PRIZE

The S.J.J. de Swardt Agrekon Prize for 1973 has been awarded to Prof. J.A. Groenewald, professor in agricultural economics at the University of Pretoria, for his article "A review of the quality of management in South African agriculture" which appeared in the April 1973 issue of Agrekon.

It is the second time that this award is being made since Mr. S.J.J. de Swardt, former Secretary for Agricultural Economics and Marketing, made a donation

to the Department of Agricultural Economics and Marketing, in 1973, for the purpose of establishing a fund from which to award prizes for meritorious contributions in the field of agricultural economics which have appeared in Agrekon.

The donor indicated, *inter alia*, that the prize is intended chiefly for the best article on an agricultural economic subject appearing in Agrekon within a given period of 12 months or more, as determined by the Secretary for Agricultural Economics and Marketing.

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	1972
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

Production season	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
					%
					1 000 hectares
Area planted	4 500	3 611	4 578	4 402	125

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

1973/74	1972/73	1971/72	1970/71	1973/74
74	73	72	71	1972/73
				%

Sales to coffee manu-

factors	± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

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During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73	1971/72	Increase
		c per unit		%
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73	1971/72	1973/74 1972/73
		Tons		%
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cul- tivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeka apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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LIVESTOCK

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic — November 1972	7 520 043	5 479 649	72,9%
Republic — November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333-334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416-442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

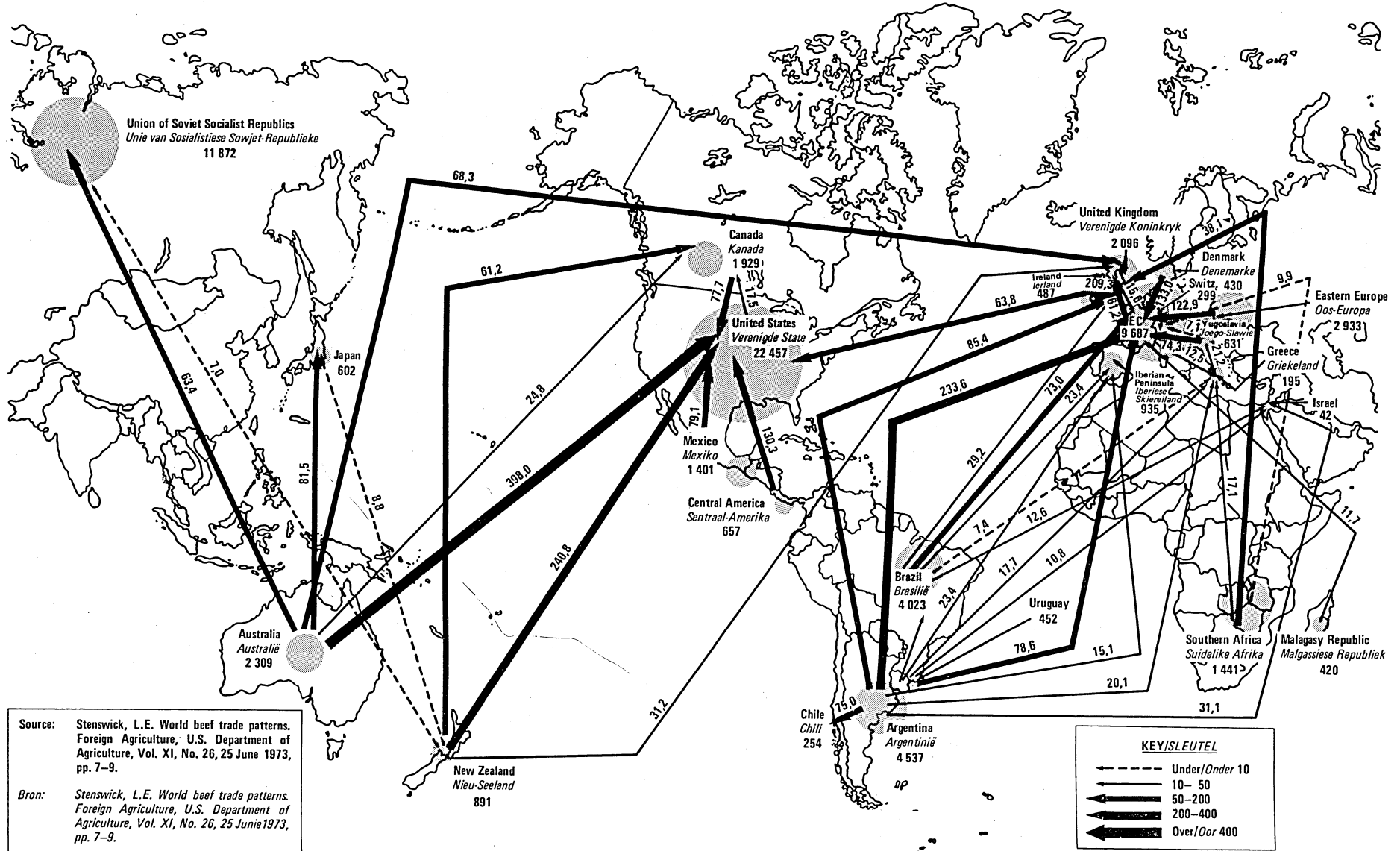
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾

Statistics

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

TRENDS IN THE AGRICULTURAL SECTOR

INTRODUCTION

The more favourable weather conditions which set in over the Republic since March 1973 were followed by good rains over large areas of the country. Early in 1974 these favourable conditions also spread to the more arid parts of the North-Western Cape and South-West Africa. Since then rain has fallen fairly generally over most of the Republic and South-West Africa. In some parts the exceptionally high rainfall caused flood damage. Along the Lower Orange River Irrigation schemes in particular lands were flooded and the extent of the damage assumed disastrous proportions.

After last season's poor crops of summer cereals, when, for example, maize, grain sorghum and groundnut production decreased by 57%, 56% and 50%, respectively, crop prospects for summer cereals for 1974 appear particularly favourable. Considerably more summer cereals were planted than last year, and with high unit yields there is a strong possibility that record crops will be harvested this year. According to an official estimate 4,5 million hectares have been planted to maize this year, compared with 3,6 million hectares the previous season.

The offering of vegetables fluctuated considerably during 1973, and shows a slight decrease for the year as a whole. Vegetable prices rose considerably, however, and were about 27% higher than last year, so that the total gross value amounted to about the same as in 1972. Deciduous fruit crops were much smaller during the past year, but favourable prices were realised on both local and overseas markets. It is expected, however, that the 1974 crop will be considerably bigger than that for 1973. The last citrus crop yielded producers a slightly bigger income.

Cattle slaughterings decreased slightly during 1973, after the rapid growth of recent years, while calf slaughterings dropped by nearly 21%. Slaughterings of small stock for 1973 show a further decrease of about 1,5 million, compared with a decrease of 2,4 million in 1972. Pig slaughterings increased significantly and reached a record level. Prices of slaughter stock rose by about 30% during 1973, chiefly as a result of sharp rises in the price of slaughter cattle.

From the August 1973 estimate of livestock it appears that the decrease in the number of woolled sheep has now been checked and that the favourable mutton and wool prices should further stimulate the building up of the Merino flocks. It is nevertheless expected that the 1973/74 wool clip will decrease further to 102 million kg – the smallest clip for the past 23 years. An average price of 156c per kg was obtained for grease wool during the 1972/73 season, as against

54c per kg the previous season. The indications are that the prices will continue to be favourable.

A general characteristic of economic conditions in agriculture during 1973 was the fairly general sharp rise in producer prices coupled with a downtrend in the physical volume of production. Producer prices increased by 26%, and the physical volume of agricultural production dropped by about 16%. The prices of farming requisites rose by about 10% and the total expenditure on intermediate goods and services reached the record amount of R493 million. Rising costs and a drop in the volume produced resulted in the net income being about 8% lower than in 1972.

World production of agricultural products shows a rise of about 6% in 1973 after the poor 1972 season. Despite this record offering it is expected that product prices will generally remain at a high level during 1974 owing to the accumulation of stocks, which will favour the export of South African products generally. The indications are also that the value of agricultural exports will increase further during 1974. In the case of a few products such as deciduous fruit and meat a turning point has already been reached, however, and the favourable export prices of 1973 will probably not be maintained in 1974 due to a greater offering of the products concerned in the more important importing countries.

ECONOMIC REVIEW

Volume and gross value of agricultural production

As previously stated the volume of agricultural production in 1973 was about 16% lower than the high production level of 1972. The trend of production over the past three years, according to the volume index, was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	Base 1958/59–1960/61 = 100			%
Field crop				
production	122,5	193,9	183,7	63
Horticulture	193,2	192,5	182,7	100
Livestock				
production	136,3	133,7	132,5	102
Total	139,8	167,1	160,9	84

Field crop production shows a decrease of nearly 37% for 1973 after the sharp rise in 1972. Maize production, for example, decreased by 57% in 1973 and the crop was the smallest since 1959. Grain sorghum and groundnut production were 56% and 50% lower,

respectively. The production of horticultural products was maintained at about the same level as in 1972, while the volume of livestock production for 1973 increased by about 2%.

As far as agricultural prospects for 1974 are concerned, all the indicators point to an exceptionally favourable agricultural year and estimates at this early stage indicate an increase of nearly 25% in the volume of production. Compared with 1972, a sharp rise in field crop production and a moderate increase in horticultural and livestock production are expected.

The total value of agricultural production in 1973 amounted to R1 594 million, compared with the record amount of R1 778 million in 1972. During the past three seasons the combined gross value of agricultural production was as follows:

Branch	1973	1972	1971	<u>1973</u> 1972
	R million			%
Field crop production	520	747	708	70
Horticulture	287	288	269	100
Livestock production	787	743	608	106
Total	1 594	1 778	1 585	90

Notwithstanding sharp rises in producer prices the gross value of field crop products dropped by nearly 31% in 1973 as a result of the smaller crops of summer cereals. The gross value of horticultural products, which moved gradually upwards during the past few years, shows a slight diminution for 1973. This may be attributed to the smaller deciduous fruit crop, while the gross value of citrus fruit increased slightly. The gross value of vegetables stood at about the same level in 1973 as in the previous season. Owing to considerable increases in the producer prices of most livestock products, the total value thereof amounted to R787 million in 1973 as against R743 million the previous year.

The contribution of agriculture to the gross domestic product

The following table shows the quarterly contribution of agriculture to the gross domestic product for the past three years:

Quarter	1973	1972	1971
	R million		
January—March	258	215	177
April—June	377	342	355
July—September	275	376	303
October—December	332	351	249
Total	1 242	1 284	1 084

The absolute contribution of agriculture shows a drop of about 3% for the past year, which may largely be ascribed to the poor crops of summer cereals.

Income of farmers

The income of farmers decreased during 1973 owing to the smaller volume produced. The total gross income for 1973 is estimated at R1 664 million, compared with R1 678 million in 1972. Similarly the net income decreased from R865 million in 1972 to R799 million in 1973. The sharper drop of nearly 8% in net income indicates the effect of increases in the prices of production materials.

An analysis per branch of farming shows a diminution in the gross income from field crop production from R705 million in 1972 to R510 million in 1973. The total gross realisation from horticulture amounted to R315 million in 1973. The higher incomes were due largely to price increases, since the volume of production of almost all branches showed a downward trend. The financial position of stock farmers was favourable. Physical quantities produced remained virtually constant, but prices rose exceptionally sharply. The gross income from the marketing of cattle, for example, increased by R53 million, while the proceeds of wool and sheep marketing rose by R42 million and R8 million, respectively.

The quarterly net income during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	144	111	84	130
April—June	268	239	260	112
July—September	165	270	208	61
October—December	222	245	154	90
Total	799	865	706	92

The increase in income during the first quarter of 1973 can be attributed largely to the good crops of winter cereals and a rise in the prices of slaughter stock.

Expenditure on, and prices of farming requisites

(a) Expenditure

Expenditure on short-term requisites increased further during the past year to an estimated R493 million, which is about 10% higher than in 1972. The estimated quarterly expenditure during the past three years was as follows:

Quarter	1973	1972	1971	<u>1973</u> 1972
	R million			%
January—March	113	107	91	106
April—June	109	101	91	108
July—September	132	119	118	111
October—December	139	122	121	114
Total	493	449	421	110

A considerable increase occurred in expenditure on fuel, namely from R58 million in 1972 to an estimated amount of R75 million in 1973. Expenditure on stock feed and maintenance and repair services also increased sharply. The increase in total expenditure is due largely to higher prices, which have been moving upwards constantly since 1970.

(b) Prices of farming requisites

The price index for all farming requisites increased by more than 10% during 1973, having risen by about 9% during the previous year. Prices of machinery and equipment rose by 9% and in the cases of material for fixed improvements and short term requisites by 20% and 9% respectively. The increase in the prices of materials for fixed improvements resulted from an increase of 10% in the price of fencing material and 24% in the cost of building material. Prices of trucks were 6% higher and those of implements rose by 8%. Fuel prices showed an increase of 6%. For fertiliser and stock feed respectively, farmers had to pay 6% and 19% more.

The respective price indexes (with the years 1958/59 — 1960/61 as base) for the quarter October to December in the past three years compare as follows:

Item	1973	1972	1971
All farming requisites	148,9	134,8	123,5
Machinery and equipment	166,1	151,7	138,0
Repair rates	298,8	264,9	238,9
Fencing material	162,5	148,3	124,6
Fertiliser	116,3	109,8	103,1
Fuel	125,7	118,2	111,0
Stock feed	159,5	134,1	125,7

Producer prices

During the past year the combined producer price index of agricultural products rose by 26% — more

sharply than during any other year in the past decade. Price rises were fairly general on both the local and the overseas markets. On the local market the rises in the prices of livestock products were striking.

Details of the producer price index for the past three years, with the years 1958/59 — 1960/61 as base, are given below:

Product	1973*	1972	1971
All products	180,0	142,8	128,6
Field products	138,3	121,9	123,1
Maize	138,3	117,3	121,0
Wheat	121,9	119,3	119,0
Horticultural products	183,4	155,4	133,0
Fruit	165,1	138,0	129,0
Vegetables	205,7	161,8	121,2
Livestock products	216,7	157,2	131,9
Slaughter stock	255,8	196,4	163,6
Dairy	152,7	136,6	131,5
Pastoral	256,8	120,3	76,4

* Preliminary

(a) Field products

The prices of field products rose by about 14% during 1973, as against a recession of 1% the previous year. This increase may be attributed chiefly to a rise of 18% in the price of maize, and of about 9% and 5%, respectively, in the prices of oilseeds and sugar-cane. In the case of dry beans producer prices rose by nearly 53% in 1973.

(b) Horticultural products

Producers received about 18% more for horticultural products during the past year. The prices of potatoes and tomatoes in particular showed sharp rises during the last four months of 1973, so that in all vegetable prices were about 27% higher than in 1972. As a result of favourable overseas and local prices producers received about 20% more for fruit in 1973.

(c) Livestock products

Producer prices for livestock products increased by as much as 38% during 1973. Prices of slaughter stock rose by about 30%, mainly on account of sharp rises in

the price of slaughter cattle. Producers of dairy products received 12% more for their products, while wool and mohair prices firmed further and show a rise of 114% for 1973.

Investment

The total value of capital investment in agriculture amounted to about R10 953 million at the end of 1973. Investment for each of the past three years was as follows:

Item	Gross investment		
	1973	1972	1971
	R million		
Fixed improvements	73	81	83
Machinery, implements and vehicles	121	141	148
Changes in livestock inventory	+ 28	+ 30	-1

It appears from the above that the rate of gross investment during 1973 was lower than in the two preceding years. This drop should be seen chiefly against the background of the small crops of summer cereals and consequent lower income. About 60 per cent of the investment in fixed improvements in 1973 was spent on new buildings and 40% on construction works. As far as investment in machinery is concerned, R35 million was spent on transport equipment and R86 million on tractors and implements. As a result of the increase in the number of cattle and sheep there was an increase of R28 million in the livestock inventory in 1973. At present there are about 12 million cattle and 33 million sheep in the Republic.

In view of the expected increase in the net income of farmers, it is anticipated that investment in the agricultural sector will increase during 1974.

Consumer prices and total spending on food

(a) Consumer prices of food

During the twelve months ended December 1973 food prices rose by more than 17%. This exceptionally steep rise contributed to the increase of 10% in the consumer price index for all items.

Particulars of the consumer price index as a whole and for certain food items during the past 12 months, 6 months and 3 months are as follows: (See Table at bottom of page).

From September to December 1973 the consumer price index as a whole increased at a slower rate than earlier in the year. On the other hand, the rise in food prices was sharper, due particularly to increases in the prices of meat, cereals and fruit. During December 1973 consumers paid 22,6%, 22,4%, 22,3% and 21,4% more for meat, cereal products, vegetables and fruit, respectively, than in December 1972.

The relatively steep rise in retail food prices over the past year is an international phenomenon related to the poor agricultural crops. Prices are higher in virtually all parts of the world and it is expected that these will also be maintained at a high level in 1974.

Changes in the consumer price index (April 1970 = 100)

Item	Index Dec. 1973	Percentage rise		
		Sept.—Dec. 1973	June-Dec. 1973	Dec. 1972— Dec. 1973
		Annual rates		
All items	129,1	9,5	9,2	10,0
All items excluding food	125,8	6,1	7,4	7,6
Food	139,2	18,6	14,3	17,1
Meat	162,6	29,8	20,5	22,6
Dairy products and eggs	125,8	1,2	1,8	13,4
Cereal products	137,1	25,4	19,0	22,4
Vegetables	150,3	14,9	14,1	22,3
Fruit	147,9	49,5	42,5	21,4
Sugar and allied products	105,1	4,2	2,9	4,4

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years — 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
Apricots				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
Pears				
Bon Chrétien	46 000	48 211	41 982	95
Other cultivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
Peaches				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> 1972
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> 1973
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> 1972
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> 1971
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
1972/73	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

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1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

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LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264—265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

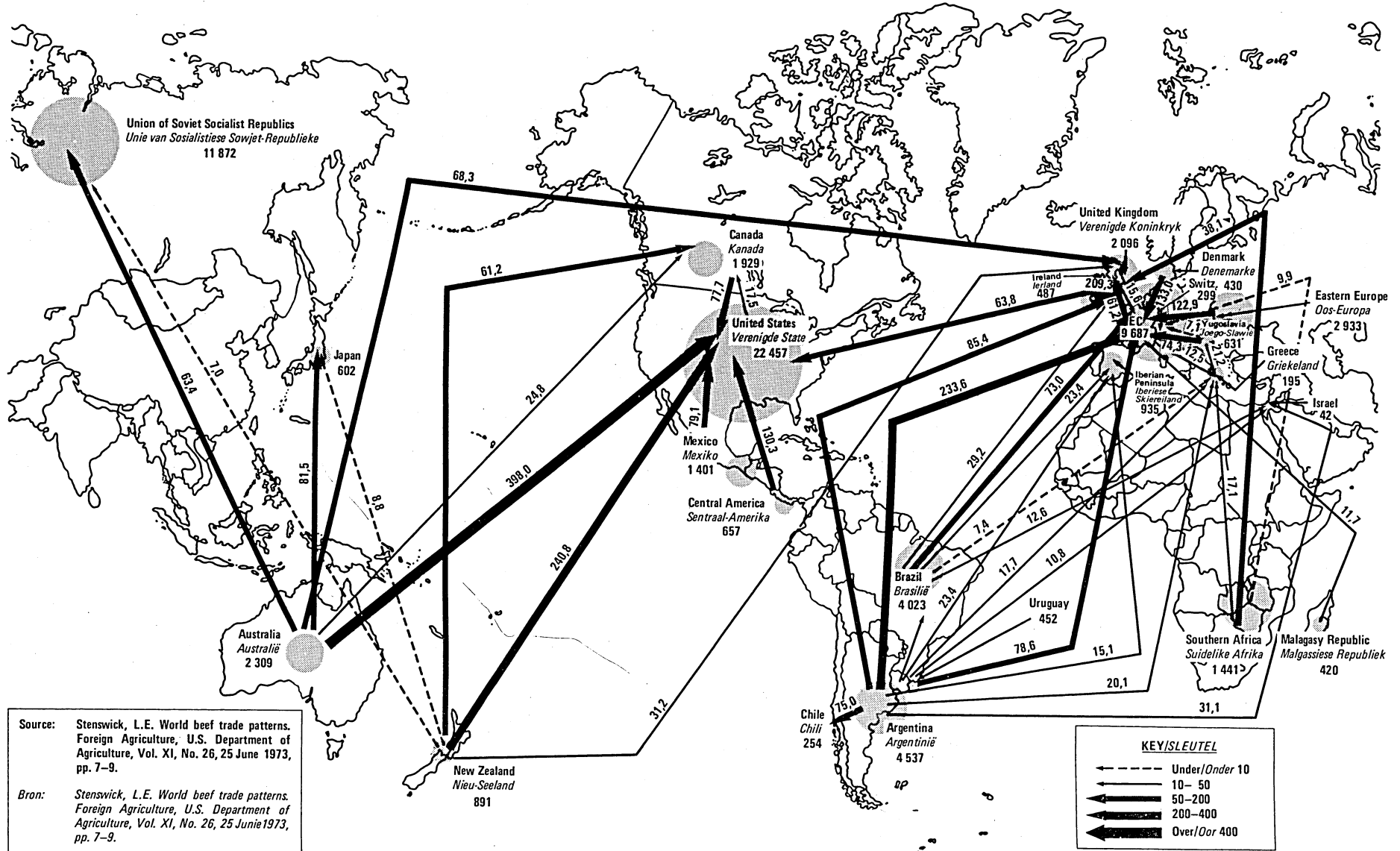
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports	1966	1967	1968	1969	1970	1971	1972	1972 Jan. - Sept.	1973 Jan. - Sept.
	R1 000								
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

(b) *Consumer spending on food*

The sharp increase of 17% in food prices, together with the greater volume consumed, resulted in total consumer spending on food rising sharply during 1973. The total sum amounted to R3 147 million, which means a rise of 20%, as against a rise of about 17% the previous year. Larger sums were spent on practically all food items, but marked increases occurred in the prices of meat, vegetables and fruit. Consumer spending on food products over the last three years is shown below:

	Consumer spending on food products			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	R million			%
Red meat	880	717	607	122,7
Bread and cereal products	640	525	495	121,9
Vegetables and fruit	580	488	400	118,9
Milk, milk products and eggs	306	265	256	115,5
Sugar, preserved fruit and jam	253	231	221	109,5
Other	488	392	356	124,5
Total	3 147	2 618	2 335	120,2

Agricultural exports

Export prices for both unprocessed and processed agricultural products began rising sharply from 1972 after showing little change over a number of years in succession. The export price index of unprocessed agricultural products, with 1958 to 1960 as base, amounted to 99,3 in 1971, and in 1972 it rose by 31% to an index figure of 129,6. In the case of processed agricultural products the export price index, with the same base period, increased from 111,7 in 1971 to 136,6 in 1972. The indications are that export prices, particularly those of maize, wheat, wool, mohair, karakul pelts, and fresh and canned fruit, rose more sharply in 1973.

Owing to a favourable agricultural season the volume of agricultural exports in 1972 was exceptionally high. In 1973, however, the volume decreased considerably. In the case of maize the exportable surplus from the 1972 crop had to be used to supplement the poor 1973 crop and the export of maize therefore ceased early in 1973. In the case of fruit, droughts and a

resulting shortage of irrigation water reduced the volume exported considerably.

According to present indications, the rise in prices from January to September 1973 more than offset the decrease in the volume exported, however, with the result that the value of agricultural products exported in this period was in fact slightly greater than in the previous year.

Particulars of the value of exports during 1971 and 1972 and comparable figures for the period January to September 1972 and 1973 are as follows:

	Value of agricultural products exported			
	1972	1971	Jan. to Sept. 1973	Jan. to Sept. 1972
	R million			
Total S.A. products excluding gold	1 899	1 418		
Total unprocessed agricultural products	390	229		
Total agricultural products	754	458		
Products				
Wool	116	51	114	61
Mohair	8	4	8	4
Karakul pelts	18	15	19	14
Maize and maize products	141	62	77	98
Groundnuts	7	11	8	5
Citrus fruit	46	36	42	20
Deciduous fruit	51	38	41	50
Hides and skins	37	20	33	25
Preserved fruit and jam	65	48	64	47
Sugar	123	69	89	85

As regards agricultural exports for the last quarter of 1973 and the first quarter of 1974, it is expected that the volume will be lower than during the comparable quarters of the previous year, while prices will tend to be higher. On balance, the value should be more or less the same as during the previous year. From the second quarter of 1974, however, the volume exported will increase considerably. As a result of the big maize crop expected, stocks will begin accumulating from as early as the second quarter and considerable quantities should be exported within the third quarter of 1974.

World inventories of agricultural food products are at present at a very low level generally and it is

All aspects taken into consideration, it may be expected that the foreign exchange earnings of the agricultural sector will be higher in 1974 than during any previous year.

The production of maize during the past three seasons, with an estimate of the coming crop, compares as follows:

FIELD HUSBANDRY

Production

The area planted to maize by White Producers during the past three production seasons, with an estimate for 1973/74, are as follows: *(See Table on top of following column.)*

The Board's sales of maize for local consumption during the past two seasons, with an estimate for 1973/74, are as follows: *(See Table at bottom of page).*

At the beginning of 1973, when it became apparent that the crop would be relatively small and that available stocks, especially of white maize, might be insufficient to meet local requirements, the Board cut back the yellow maize export programme and stopped the export of white maize completely. These measures made it possible to carry over a reserve supply of just over 2 million tons to the new season, as against the normal reserve stock of 900 000 tons.

6

After a review of the stock position in June 1973, and since the shortage could not be wholly alleviated by the import of white maize of acceptable quality, it was decided to mix 15% yellow maize with white maize for human consumption. The measure providing for the mixing of white maize and yellow maize or yellow maize products came into effect on 1 August 1973. This is expected to make it possible to meet the local demand for white maize and white maize products, until after 1974.

The stock position for the 1973/74 marketing season is shown below:

	White maize	Yellow maize	Total
	1 000 tons		
Carry-over at 1 May 1973	1 083	923	2 006
Purchases from producers by the Board	1 520	1 820	3 340
Total available	2 603	2 743	5 346
Less: Delivery by the Board for local consumption, including physical losses	2 486	2 375	4 861
	117	368	485
Less: Estimated exports of maize and maize products up to 30 April 1973	2	186	188
Carry-over at 30 April 1974	115	182	297

Exports

As already mentioned, the export of maize was suspended early in 1973 to ensure that adequate stocks remained available. Nevertheless, certain obligations contracted previously had to be met, so that total exports for the 1973/74 marketing season amounted to 2 000 tons of white maize and 186 000 tons of yellow maize. In all, during the previous season about 3 587 000 tons of maize were exported, of which 1 588 000 tons were white maize and 1 999 000 tons were yellow maize.

Local prices

The most important price determinations for maize in bulk during the past three marketing seasons were as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
Gross producer prices for best grades of white and yellow maize (without bags)	45,50	37,90	37,92	120
Net producer price for best grades of white and yellow maize (without bags)	45,50	34,60	37,37	132
Board's selling price for large quantities (without bags)				
(a) White maize	43,50	39,00	37,92	112
(b) Yellow maize	43,50	37,65	35,27	116

Export prices

The keen demand for maize on the world market, which started during the 1972/73 marketing season, still persists. Unfortunately the 1973 crop in South Africa was one of the poorest in many years, with the result that advantage could not be taken of the favourable prices abroad. The average price (free alongside coastal grain elevator) at which the Board sold maize for export purposes is expected to amount to R58,00 per ton for the 1973/74 marketing season, as against R49,41 per ton the previous season.

It is generally expected that foreign prices for grain will remain at a high level during 1974, and that South Africa will hence be able to export surpluses from the new crop at favourable prices.

GRAIN SORGHUM

Production

After the poor grain sorghum crop in 1973 an exceptionally good crop is expected this year as a result of favourable weather conditions. According to the first estimate, which was based on conditions at the end of February, the 1973/74 grain sorghum crop is put at 512 000 tons. The area planted and the production of grain sorghum for the past three marketing seasons, with an estimate for the 1974/75 crop, are as follows:

	1974/ 75	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74 %
Area planted in White areas ('000 hectares)	336	181	322	380	186
Production ('000 tons)					
White areas	480	200	454	508	
Bantu areas	32	22	56	43	
Total	512	222	510	551	233

Local marketing

The local marketing of grain sorghum for the past three marketing seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
	1 000 tons			
Total quantity retained on farms	63	91	58	69
Quantity delivered to local trade, including physical losses	201	206	191	98
Normal local consumption	264	297	249	89
Quantity used in mixing scheme	-	85	78	-
Total local consumption	264	382	327	69

During the 1972/73 season 85 000 tons of grain sorghum were used in the mixing scheme, in terms of which yellow maize is replaced by grain sorghum in feed mixtures. During the 1973/74 season no grain sorghum was used for mixing in view of the limited supplies.

The grain sorghum stock position for the 1973/74 marketing season, as estimated in January 1974, is as follows:

	1 000 tons
Total carry-over at 1 May 1972	58
Plus: Estimated marketing by producers 1 May 1973-28 February 1974	175
Total available	233
Less: Local commercial consumption and physical losses	201
Stock at 30 April 1974	32

Exports

It is expected that no grain sorghum or grain sorghum malt will be sold for export during the 1973/74 marketing season. During the 1971/72 and 1972/73 marketing seasons 322 000 tons and 179 000 tons of grain sorghum, respectively, were exported.

Local prices

The chief price determinations for the 1973/74 marketing season compare as follows with those of the two previous seasons:

	1973/74	1972/73	1971/72
	Rand per ton		
Floor price for best grades*	51,10	32,40	36,16
Malt levy per ton	0,50	13,90	12,25
Board's minimum selling price	58,10	37,90	41,12

* Prices of grain sorghum before cleaning

BUCKWHEAT

Production

Details of the area planted to, and the production of, buckwheat during the past three marketing seasons are as follows:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73 %
Area planted (ha)	4 360	4 865	7 886	90
Production (tons)	2 880	3 910	6 370	74

According to the first official crop estimate, based on conditions at the end of February 1974, the production of buckwheat is put at 9 550 tons. This represents an increase of more than 300% on the previous crop.

Local marketing

It is estimated that local sales of buckwheat for the 1973/74 marketing season will amount to 1 779 tons, compared with 561 tons and 755 tons for the 1972/73 and 1971/72 marketing seasons, respectively.

Exports and export prices

The total quantity of buckwheat sold by the Board for export during the 1973/74 marketing season amounted to 2 571 tons, compared with 3 389 tons the previous season. Exceptionally favourable prices are at present being obtained for buckwheat on the world market due to poor crops in the chief producing countries. The average price (free at coastal grain elevator) at which the Board sold buckwheat for export purposes during the 1973/74 marketing season is estimated to amount to R180,00 per ton, compared with R55,52 per ton the previous season.

Producer prices

Payments to buckwheat producers in the form of advance, interim payments and a deferred payment, and the special levy on buckwheat compare as follows for the past three marketing seasons:

Prices	1973/74	1972/73	1971/72
	R per ton		
Gross advance	35,00	27,20	27,00
Less: Special levy	1,00	2,20	2,20
Net advance	34,00	25,00	24,80
First interim payment	28,00	15,00	-
Second interim payment	100,00	-	-
Deferred payment	-	4,00	1,72
Total payment	162,00	44,00	26,52

WHEAT

Production

The indications at this stage are that the 1973/74 crop will be the seventh successive record crop. On the basis of the latest estimates, figures for the area planted to wheat and the production of wheat for the 1973/74 season compare as follows with those of the preceding two seasons:

	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
				%
Area planted (1 000 ha)	2 025	2 017	2 010	100
Production (1 000 tons)	1 813	1 730	1 643	101

The successive record crops may be ascribed chiefly to bigger plantings, improved cultural practices, the planting of more suitable cultivars and favourable weather conditions. In the Cape Province and the Transvaal harvesting has already been completed, but in the Free State the harvesting of late plantings is being delayed by rain.

The relative importance of the various production areas on the basis of wheat purchases by the Wheat Board during the past three seasons is shown below:

Region	Percentage of total production %
South-Western Cape	32,3
Rest of Cape Province	13,1
Orange Free State	41,7
Transvaal	12,4
Natal	0,5
Total	100,0

Compared with the previous three-year period, the above information shows that the South-Western Cape is gaining an increasing share of the market at the expense of the Orange Free State.

Imports

Although the Republic has for the present become self-sufficient as far as wheat is concerned, durum wheat is still imported for the manufacture of pasta products. During the 1972/73 season 9 100 tons of durum wheat were imported and it is estimated that 16 900 tons of durum wheat will be imported during the 1973/74 season.

Marketing

The estimated purchases and sales of wheat by the Board, the quantities exported and the carry-over stocks for the 1973/74 season, together with the figures for the preceding years, are as follows:

Season (Oct.— Sept.)	Deliveries by produ- cers to the Board	Sales for local con- sumption	Exports	Carry-over at end of season by agents and mills
	Tons			
1971/72	1 606 350	1 329 260	1 736	767 200
1972/73	1 697 691	1 416 970	368 239	695 876
1973/74	1 778 400	1 466 500	450 000	575 000
1973/74 1972/73	105%	103%	122%	-

It is foreseen that sales of wheat for local consumption for the 1973/74 season will increase by about the same percentage as the average percentage increase of 3,56% per annum during the previous two seasons.

Exports

For the first time in the history of the industry, wheat was exported on a fairly large scale during the 1972/73 season.

The wheat export programme only really gained momentum in the middle of 1973, after maize exports had been stopped and adequate harbour facilities for exporting wheat became available. Consequently during the 1972/73 season only 368 200 tons of wheat and flour of the exportable surplus of 562 000 tons could be exported.

Surplus wheat stocks for the 1973/74 season are estimated at 530 000 tons and it is expected that roughly 450 000 tons will be exported this season. The Board intends to conclude overseas wheat exports before the commencement of the maize export programme, and plans to continue exporting wheat by rail to neighbouring countries for the rest of the present season.

Local prices

The net producer prices for the best grades of wheat in bulk and the Board's selling prices for the past few seasons are given below:

Season	Net producer prices			Board's selling prices		
	A super	A1	B1	A super	A1	B1
	R per ton					
1971/72	72,62	71,52	69,87	75,48	74,38	72,73
1972/73	71,60	70,50	67,20	77,82	76,72	73,42
1973/74	80,81	79,71	76,41	85,47	84,37	81,07
<u>1973/74</u> <u>1972/73</u>	113%	113%	114%	109%	110%	110%

The considerable increase in the net producer prices during the 1973/74 season may be ascribed to the reduction in the producers' contribution to the Wheat Reserve Fund from R3,86 per ton for the 1972/73 season to R2,20 per ton for 1973/74 and a rise in production costs in the traditional wheat production areas.

Export prices

Wheat and wheaten products exported during the 1971/72 season were sold at an average of R55,50 per ton, as against R67,70 per ton for 1972/73. The average price obtained so far during the 1973/74 season is R121,70 per ton.

The first shipload of wheat sold for export during the 1973/74 season fetched a price about 73% higher than the average price realised during the 1972/73 season. Thereafter the price dropped by about 10% during November 1973, and then rose by about 22% during December 1973 to an average of R127 per ton. The latest sales during February 1974 showed a further slight improvement and the indications are that prices of export wheat will be maintained at the same level during the rest of the season.

The considerable improvement in the export price since the 1972/73 season is due to poor crops in the more important production areas and a general shortage of grain. The current offering of wheat on the world market has improved, but stocks are low and the building up of inventories is contributing to the strong demand.

GROUNDNUTS

Production

The area planted to groundnuts has shown a downward trend since 1969/70, when a peak was reached. Information on plantings and production during the past three seasons is given below:

Item	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	%			
Plantings (1 000 ha)	235	345	374	68
Production (1 000 t)	138	280	267	49

As a result of the increased advance price for the 1973/74 marketing season and favourable weather conditions in virtually all the cultivation areas, a record groundnut crop is expected for the 1973/74 production season. According to the first estimate, which is based on conditions at the end of February, the 1973/74 groundnut crop is put at 401 000 tons and the area planted at 364 000 ha.

Local marketing

Sales for local consumption during the past three years, according to marketing channel, are as follows:

Marketing channel	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	22 000	22 000	22 357	100
Seed	16 000	10 000	13 152	160
Oil expressing	80 000	140 000	110 525	50
Total	108 000	172 000	146 044	63

Owing to the recent poor groundnut crop, available stocks had once again to be allocated to expressers and the local edible market on a quota basis. The shortage of groundnut oil for the local market could be largely overcome by making available sunflower seed, which had a record crop.

Exports

No expressing nuts were exported and only about 50% of the normal exports of selected groundnuts for the edible market could be exported during the 1973/74 marketing season, due to the poor crop.

The following quantities of groundnuts were exported during the past three seasons:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	Tons			%
Edible market	25 000	50 000	39 433	50
Expressing nuts	—	10 000	37 021	—
Oil (groundnut basis)	12 000	12 000	29 038	100
Total	37 000	72 000	105 492	51

With regard to the 1974/75 season, it is expected that it will be possible to export a record quantity of selected groundnuts at favourable prices.

Prices

Local selling prices

Local selling prices for groundnuts, which are fixed annually, are appended for the past three years as follows:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%

For oil expressing purposes (S2 basis)	169,15	139,15	136,15	122
For edible market (S1 basis)	196,00	143,00	141,65	137

To compensate producers for the higher edible groundnut prices on the foreign market, the local price was adjusted sharply upwards during the 1973/74 marketing season.

Overseas selling prices

The Board conducts the export of edible and expressing groundnuts, while the export of oil is left in the hands of individual expressers.

Foreign prices of edible nuts and expressing nuts rose sharply during 1973 and it is expected that the favourable prices will be maintained at a high level at least during 1974.

The net realisation on the overseas market since 1970/71 has been as follows:

Item	1972/ 73*	1971/ 72	1970/ 71	1972/73 1971/72
	R per ton			%
Edible nuts	260,00	191,08	196,02	136
Expressing nuts	180,00	141,52	126,20	127

*Preliminary

SUNFLOWER SEED

Production

Sunflower plantings were considerably bigger this year than during previous years. This may be ascribed to the late rains, which made the planting of maize impossible.

The comparative particulars of plantings and production for the past three years are as follows:

Item	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
				%
Area (1 000 ha)	346	192	185	180
Production (1 000 t)	233	151	134	154

The favourable sunflower seed crop enabled the Board to meet virtually the whole local demand for oils, which is increasing, despite the poor groundnut crop.

According to the first estimate, which is based on conditions at the end of February, the 1973/74 sunflower seed crop is put at 269 000 tons.

Local marketing

Almost the whole sunflower seed crop is sold locally at fixed prices. Sales of sunflower seed, according to marketing channel, for the past three years, are shown below:

Marketing year	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		Tons		%
Seed and feed	3 000	2 000	1 807	150
Oil expressing	230 000	149 000	131 721	154

Exports

Apart from a very small quantity of oil and birdseed, no sunflower products are exported.

Prices

Sunflower seed is sold locally at fixed prices. As far as oil expressers are concerned, the basic selling price is also subject to an adjustment in accordance with the actual oil content.

The basic selling prices for the past three years were as follows:

Grade	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
		R per ton		%
Grade F2	83,72	69,92	70,00	120
Grade FH2	102,28	85,06	84,08	120

COTTON

Production

The floods in the Lower Orange River irrigation area spoilt the prospects of an exceptionally good cotton crop. The crop will now probably be considerably smaller than the estimated 219 500 bales of 200 kg each. A crop of 147 800 bales of Delta Pine is expected from Loskop, Magut, and the Northern and Eastern Transvaal, and 27 200 bales of Albar/Albacala from Swaziland. Production during 1971, 1972 and 1973 was 76 260, 82 070 and 88 500 bales of fibre of 200 kg each, respectively.

Imports

During 1971 and 1972 148 217 and 199 676 bales of fibre of 200 kg each, respectively, were imported, while 65 204 bales were imported during the first six months of 1973. The biggest foreign suppliers were the U.S.A., Brazil and Rhodesia.

Marketing

The local marketing arrangements for the 1974 cotton crop have not yet been finalised. Under the voluntary marketing agreement between the manufacturers, producers and ginner, manufacturers are obliged to take a quantity equivalent to 50% of their consumption of the locally produced crop. The estimated local consumption for 1974 is put at 330 000 bales of fibre. The manufacturers are therefore obliged to take 165 000 bales of the expected 219 000 bales in terms of the above-mentioned agreement. Negotiations must still be entered into with the manufacturers on the marketing of the 54 000 bales by which the expected production of 219 000 bales will exceed the 50% consumed by the manufacturers.

Exports

During 1973 and 1972 15 000 bales and 6 000 bales of fibre of 200 kg each, respectively, were exported. Owing to the shortage of cotton fibre on the world market the Government, at the request of the local manufacturers, prohibited the export of cotton except under a permit issued by the Department of Agricultural Economics and Marketing. The aim of the permit system is to ensure the retention of stabilised export markets.

Prices

In the fixing of prices for the 1974 crop, as far as the Dirk grade is concerned the average Liverpool c.i.f.

prices for November 1973 and March 1974 are used as the basis. The price was 117,95c per kg for November 1973 and still shows a rising trend. The local prices for Dirk in 1971, 1972 and 1973 were 49,97c, 59,89c and 62,15c per kg, respectively. The 1974 price therefore shows an increase of 89,8% at this stage, compared with 1973.

General

Fairly general complaints are being received from producers that the heavy rains are hampering the combating of weeds and insects. Nevertheless the prospects for a good crop in certain areas are favourable.

TOBACCO

Production

The indications are that the 1974/75 crop will be roughly 6,51 million kg higher in comparison with the 1973/74 crop. This increase will largely be the result of a bigger offering of flue-cured tobacco, namely 4,53 million kg, while it is estimated that the offering of air-cured tobacco will increase by 1,53 million kg and Burley by 0,45 million kg. The anticipated rise in production for the 1974/75 season may be ascribed chiefly to the favourable weather conditions which prevailed during the planting season. It would appear, however, that the increase in the minimum selling prices of tobacco during the 1973/74 season also encouraged production. Nevertheless the high production costs and particularly labour costs, as well as the supply of suitable labour, remain critical factors due to the labour-intensive character of tobacco production.

Receipts of leaf tobacco by angets of the Tobacco Board during the past three marketing seasons (April/March), together with an estimate of the 1974/75 crop, are shown in the following table:

Class	1974/ 75*	1973/ 74	1972/ 73	1971/ 72	1974/75 1973/74
	Million kg				%
Flue-cured	19,35	14,82	17,17	18,64	130,6
Air-cured	10,98	9,45	11,79	11,83	116,2
Burley	1,77	1,32	1,30	1,17	134,1
Oriental	1,00	1,00	0,73	0,80	100,0
Total	33,10	26,59	30,99	32,44	124,5

*Estimated

Imports

The following quantities of leaf tobacco were imported during the past three years (December/November):

Class	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Million kg			%
Flue-cured	10,75	8,36	5,37	129
Burley	0,32	0,88	0,68	36
Air-cured	2,21	1,39	0,20	158
Total	13,29	10,63	6,25	125

The increased imports were necessary chiefly on accounts of the rise in consumption and the poor local crops of the past few years. Shortages of dark air-cured pipe tobacco were already experienced in 1972. The Board also had to import air-cured tobacco again during 1973. Due to a world shortage of dark pipe tobacco during 1973 permission was granted to the processors of this tobacco to import not more than 40% of their air-cured quota as flue-cured tobacco.

Local Marketing

The quantities of the various classes of leaf tobacco marketed on the local market during the past three seasons (April/March) compare as follows:

Class	1973/ 74*	1972/ 73	1971/ 72	1973/74 1972/73
	Million kg			%
Flue-cured	8,19	8,69	9,13	94
Air-cured: Light	1,84	1,89	1,40	97
Dark	7,52	8,01	8,06	94
Burley	1,44	1,25	1,10	115
Oriental	1,00	0,77	0,72	130
Total	19,99	20,61	20,41	97

*Estimated

According to estimates the marketing of local leaf tobacco will decline by roughly 0,62 million kg in 1973/74, compared with 1972/73. It is expected that the local marketing of tobacco will rise during 1974/75 as a result of the better crop prospects.

The quantity of leaf tobacco used for the manufacture of cigarettes, as well as that used for pipe tobacco, increased further last year, while the quantity used for the manufacture of cigarillos was virtually unchanged. Consumption for the manufacture of roll tobacco and snuff showed increases of 15% and 13%, respectively, compared with 1972.

The consumption of leaf tobacco for the manufacture of local products during the past three years is set forth in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
	Million kg			%
Cigarettes	18,99	16,86	16,59	113
Pipe tobacco	12,57	11,94	11,00	105
Snuff	1,62	1,43	1,57	113
Roll tobacco	0,23	0,20	0,20	115
Cigarillos	0,04	0,04	0,04	100
Total	33,45	30,47	29,40	110

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	c/kg			%
Flue-cured	142,10	117,8	115,6	121
Light air-cured	115,84	86,9	83,6	133
Dark air-cured	—	—	—	—
Snuff	86,83	70,2	70,6	124
Roll	84,00	67,9	67,6	124
Pipe	67,97	53,9	53,6	126
Burley	122,44	94,3	94,8	130
Fire-cured	75,39	—	—	—
Oriental	128,64	122,5	118,5	105
*Estimated				

The total for 1973/74 was as follows:

Exports

Tobacco exports are showing a down trend due to the relatively poor crops of the past few years. Particulars of the export of leaf tobacco during the past two seasons (April/March) and an estimate for 1973/74 are given below:

	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	R million			%
Flue-cured	6,3	6,4	6,7	98
Light air-cured	0,6	0,7	0,8	86
Dark air-cured	0,2	0,2	0,2	100
Oriental	0,3	0,3	—	100
Total	7,4	7,6	7,7	97
*Estimated				

Class	1973/ 74*	1972/ 73	1971/ 72	<u>1973/74</u> <u>1972/73</u>
	Million kg			%
Flue-cured	7,2	7,9	8,8	91
Air-cured: Light	0,9	1,1	1,5	82
Dark	0,4	0,4	0,4	100
Oriental	0,1	0,1	—	100
Total	8,6	9,5	10,7	91

*Estimated

CHICORY

Production

Chicory production fluctuates a great deal from year to year, but has decreased sharply during the past two years, as appears from the figures below:

	1972/ 73	1971/ 72	1970/ 71	<u>1972/73</u> <u>1971/72</u>
	1 000 kg			%
Dried chicory root	3 425	8 101	19 733	42

It is expected that exports of flue-cured and light air-cured tobacco for the 1973/74 season will decrease by roughly 0,2 million kg compared with the 1972/73 season. It is estimated that exports of Virginia tobacco will amount to 8,7 million kg for the 1974/75 season.

Prices

The average local selling prices obtained by agencies of the Board on the local market during the past three marketing seasons for the various classes of tobacco were as follows:

The sharp decline in the offerings was caused by various factors including the uncertainty in the industry arising from the imposition of marketing quotas for the 1972/73 season and the fact that the price adjustments were insufficient to compensate for rising production costs. This position was due largely to the big stocks

which the Board had to carry and for which it could not find an export market. In addition, weather conditions also adversely affected plantings and production.

According to the latest estimate the 1973/74 crop is placed at not more than 13,5 million kg of dried chicory root. Growers are expected to plant considerably more chicory this year in view of the recently increased prices, and if weather conditions are favourable a reasonably big crop may be expected in 1974/75.

The following table shows the percentage of the crop produced within the proclaimed area in the various magisterial districts during the past three years:

District	1972/73	1971/72	1970/71
		%	
Albany	25,3	20,1	28,4
Alexandria	48,3	54,9	45,3
Bathurst	25,7	24,4	26,0
Peddie and Komga	0,7	0,6	0,3

Imports

Although a reasonably big stock was carried over at the end of the 1971/72 season, the 1972/73 production was so small that the Board had to import a total of 2,4 million kg of dried chicory root from France, West Germany and Belgium last year to meet local requirements. The Board decided against exporting in the 1970/71 season and began to stockpile its surplus supplies locally rather than market them overseas at uneconomic prices. The foreign demand/supply position also changed and in addition import costs rose sharply. Consequently the selling price of imported chicory was considerably higher than the local price, namely R12,46 per 50 kg f.o.r. Port Elizabeth, as against R6,30 per 50 kg f.o.r. Alexandria for the local product.

According to estimates the Board will have to import about 3 million kg of dried chicory root this year to cover the expected shortage. Shortages are still being experienced on the world market, however, and there is reason to believe that the Board will not be able to obtain its full requirements, which could give rise to serious problems for the local coffee/chicory industry.

Marketing

The quantities of dried chicory root sold to coffee manufacturers by the Board annually since 1970/71, with an estimate for 1973/74, are given below:

	1973/74	1972/73	1971/72	1970/71	1973/74
	74	73	72	71	1972/73
		1 000 kg			%

Sales to coffee manufacturers

± 15 500	13 843	10 996	13 042	112
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The considerable rise in anticipated total sales is due chiefly to the rising price of coffee beans.

Prices

The producer prices for undried chicory root over the past three years have been as follows:

Crop	c per 50 kg
1970/71	110,00
1971/72	98,25
1972/73	118,20

Owing to the changed demand/supply position and to compensate for rises in production costs the advance price on the 1973/74 crop was increased by 15c, i.e. from 60c to 75c per 50 kg of undried chicory root. The selling prices of dried chicory root for the 1973/74 crop were increased from R6,30 to R8,00 per 50 kg in the case of first grade and from R5,20 to R6,90 in the case of second grade.

DRY BEANS

Production

The production of dry beans for the four years from 1970 to 1973 was 38 533, 48 211, 50 073 and 44 473 tons, respectively. The 1973 crop was smaller due mainly to unfavourable weather conditions. It is expected that the 1974 crop will be bigger than the 1973 crop as a result of more extensive plantings and more favourable weather conditions.

The contributions of the various provinces for 1972 and 1973 were as follows:

Province	1973		1972	
	Tons	%	Tons	%
Transvaal	38 778	87,2	43 825	87,5
O.F.S.	3 132	7,1	3 644	7,3
Cape	2 314	5,2	2 275	4,5
Natal	249	0,5	329	0,7
Total	44 473	100,0	50 073	100,0

Imports

During the past three years from 1971 to 1973 5 062, 3 362 and 11 735 tons of dry beans, respectively, were imported. The sharp rise in imports during 1973 was brought about chiefly by an increase in local consumption coupled with a decline in production.

Consumption

Local consumption of dry beans remained more or less constant during the years 1970 to 1972 at 48 228, 47 497 and 47 966 tons, respectively. During 1973 consumption increased sharply, however, and amounted to 54 868 tons.

Exports

During the period 1971 to 1973 1 205, 1 594 and 5 118 tons of dry beans, respectively, were exported. The sharp rise in exports during 1973, despite a general local shortage, was due chiefly to the comparatively large quantity of large white kidney beans exported, to Belgium in particular.

Stocks

The stocks available at the end of the past three years are given below:

1973	1972	1971
	Tons	
12 466	17 585	13 647

Prices

The average producer prices for all grades during the period 1971 to 1973 are given in the following table:

Cultivar	1973	1972	1971	<u>1973</u> <u>1972</u>
	R per 90,7 kg bag			%
Yellow Haricot beans	22,41	13,78	13,71	163
Small white beans	23,62	13,34	13,25	177
Large white kidney beans	23,44	11,60	12,16	202
Speckled sugar beans	25,79	18,77	16,72	137
Brown Haricot beans	21,59	12,34	11,93	175

Producer prices for the above-mentioned cultivars, excluding kidney beans, were higher in 1972 than the average prices over the past ten years. Considerable price increases occurred in 1973 and the prices of all cultivars were considerably higher than the record prices attained in 1972.

LUCERNE HAY

Stocks

The stock position in the 12 areas where compulsory co-operative single-channel marketing applies in terms of section 102 of the Co-operative Societies Act is given below for the past two seasons, together with an estimate for 1973/74:

Item	1973/74*	1972/73	1971/72
		Tons	
Initial stocks	—	119 789	24 634
Intake	130 300	88 563	201 364
Local sales	—	208 352	106 209
Exports	—	—	—
Final stocks	—	—	119 789
*Estimate			

Production

The production of lucerne hay in the areas where single-channel marketing applies amounted to 88 563 tons during the 1972/73 season, compared with an estimated production of 130 300 tons during 1973/74 — an increase of about 47%. The sharp rise in the commercial production of lucerne hay in the section 102 areas during the past season may be ascribed chiefly to favourable weather conditions.

Marketing

As a result of the generally poor grazing conditions, which lasted from the second half of 1972, until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus of stocks which had accumulated at the end of 1971/72 was transformed into a shortage.

General

The latest indications are that the 1973/74 crop in the Lower Orange River cultivation area has been severely damaged by exceptionally heavy rains and floods. Consequently there will probably be no stocks available for carry-over at the end of the present season as well.

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
	Million kg			
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	1972
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of arti-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

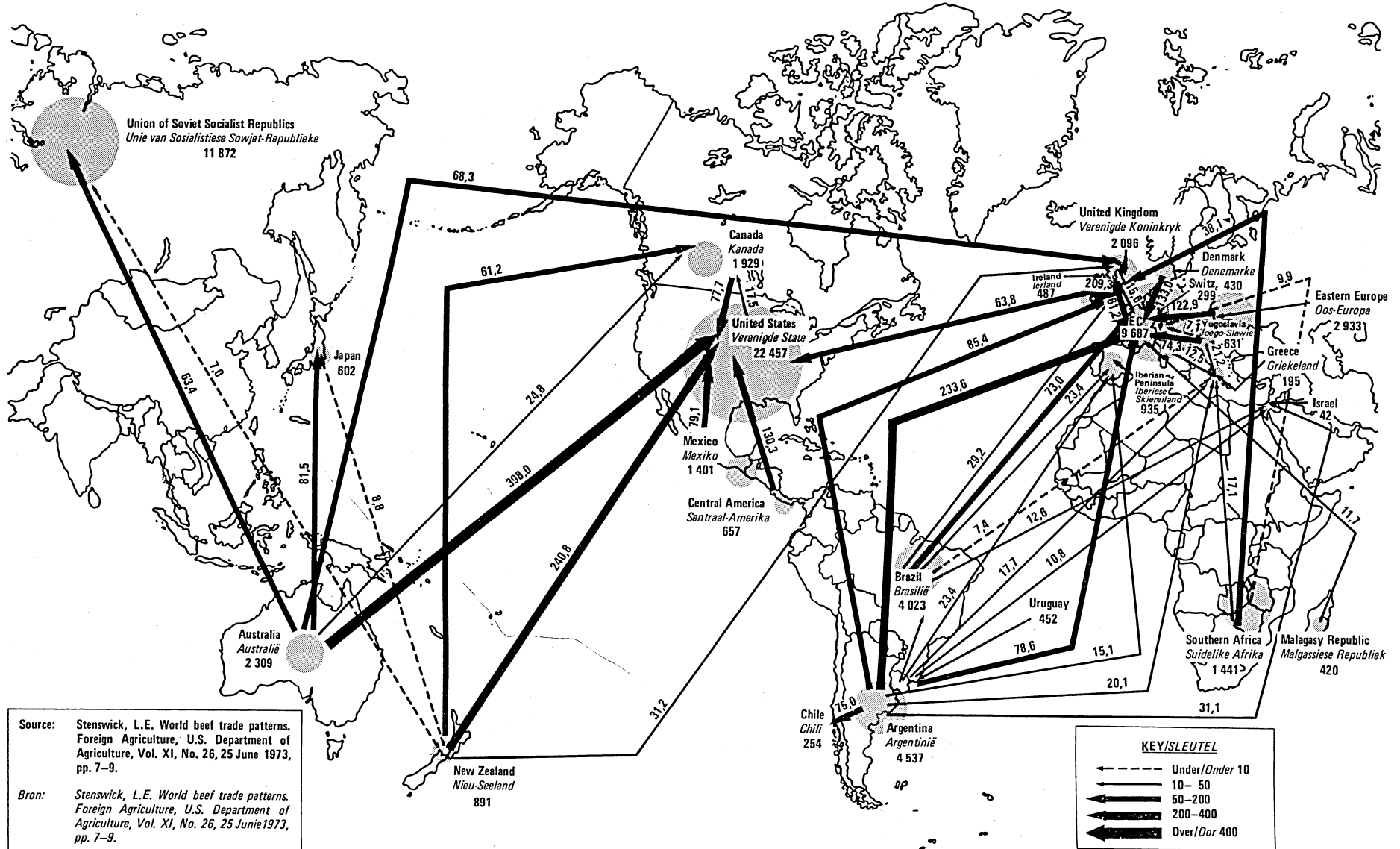
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

SUGAR-CANE

The production of sugar-cane was maintained at a high level during the 1973/74 season, although it was somewhat lower than that for the previous two seasons. The production of sugar-cane and the quantity of sugar produced during the past five years are given below:

Season (1 May – 30 April)	Sugar-cane production 1 000 tons	Sugar produced 1 000 tons
1969/70	14 788	1 622
1970/71	12 144	1 399
1971/72	16 751	1 865
1972/73	16 805	1 915
1973/74*	15 523	1 736

*Estimate

Consumption

During the 1972/73 season local sales amounted to 909 052 tons, an increase of 38 159 tons, or 4,4%, over the previous season. The fast rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales for the first eight months of the 1973/74 season show an increase of 44 283 tons and it is expected that the total local sales this year will amount to about 980 000 tons – an increase of 71 000 tons, or 7,8%.

Local prices

The industrial prices of white and brown sugar have remained unchanged since February 1972 at R123 and R116 per ton, respectively, f.o.r. Durban.

Exports

Since negotiations at Geneva for the renewal of the Sugar Agreement in September/October 1973 were unsuccessful, no effective arrangement has been in force since 1 January 1974. Since then South Africa has therefore been able to sell its sugar at the best price on overseas markets.

The quantity of sugar which will become available for export from the 1973/74 crop is estimated at about 754 000 tons at this stage, as against 1 004 601 tons the previous season. World prices are currently at a particularly favourable level, however, so that the net export earnings for the 1973/74 season are estimated at R104 million, as against R107 million and R85 million in 1972/73 and 1971/72, respectively.

HORTICULTURE

DECIDUOUS FRUIT

Production

The production of deciduous fruit during the 1972/73 season was seriously affected by abnormally low rainfall in almost all the production areas. The result was that appreciably smaller quantities were marketed locally and exported.

It is expected that the 1974 crop will be considerably bigger than last year's crop. Preliminary estimates indicate that grape exports will increase by about 13% this year, which is, however, still lower than the 1972 exports. Exports of pears will probably remain at the 1973 level and it is expected that apple exports will increase by nearly 20%.

Local marketing

Although the local marketing of apricots, apples and pears is not controlled, the Board nevertheless placed an embargo on the sale of undergrade apples and pears and third grade pears for fresh consumption during the fruit season. This embargo applies to apples and pears produced anywhere in the Republic and offered on the 14 major fresh produce markets.

The object of this embargo is to keep poor quality fruit off the market.

During the 1972/73 season the Board participated in sales promotion campaigns to stimulate the consumption of high-grade apples, pears and grapes, and apple juice. Great success was attained and the campaign will be continued on a bigger scale in certain centres during the coming season.

The Board changed its policy on the local marketing of grapes during the 1973/74 season. The system by which registered distributors bought grapes from producers at fixed seasonal prices has been abolished. Panel agents have been appointed to sell grapes to the trade on a commission basis at fixed minimum prices on behalf of the Board. These prices are determined according to prevailing market prices and are reviewed weekly. The purpose of this system is always to keep prices at the highest possible level.

During the last six months of 1973 about 25 000 metric tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine

major fresh produce markets, as against an average of 36 200 metric tons during the corresponding period of the previous three years. This represents a decrease of 30,9%, which may be ascribed chiefly to a decline in apple sales. The smaller offering of apples on the fresh produce markets was due to the relatively poor crop and the larger quantities which were taken up for processing purposes.

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

1973*	Apples	Pears	Peaches **	Plums	Apri- cots	Grapes
	100 tons					
July	36,9 (48,6)	6,5 (7,7)	—	—	—	1,6 (2,1)
August	27,8 (58,3)	4,0 (6,3)	—	—	—	0,7 (1,8)
Septem- ber	30,2 (50,9)	2,0 (3,4)	***	—	—	0,4 (0,5)
October	27,8 (46,9)	1,7 (2,4)	1,5 (0,4)	***	0,3 (0,3)	***
Novem- ber	13,0 (30,0)	0,5 (0,7)	16,0 (14,2)	0,8 (15,3)	7,9 (7,2)	0,3 (0,8)
Decem- ber	4,5 (8,0)	0,4 (2,2)	49,8 (48,7)	6,7 (10,7)	5,0 (7,0)	4,1 (3,9)

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

Local prices

The smaller offering of apples on all nine major fresh produce markets resulted in prices being higher than the average monthly prices for the preceding three years. The average monthly prices of pears, peaches (excluding nectarines), plums, apricots and grapes were also considerably higher in the last six months of 1973 than the average monthly prices for the corresponding period of the preceding three years.

The average market prices for the months July to December 1973 compare as follows with the average prices for the corresponding period of the preceding three years – 1970 to 1972:

1973*	Apples	Pears	Peaches ***	Plums	Apri- cots	Grapes
	R per ton					
July	172,3 (108,0)	138,0 (103,9)	—	—	—	297,7 (245,4)
August	193,1 (109,0)	149,6 (127,4)	—	—	—	287,4 (218,1)
Septem- ber	194,4 (115,9)	180,4 (155,6)	***	—	—	304,9 (268,6)
October	213,2 (116,7)	250,4 (177,9)	259,2 (217,1)	***	137,4 (150,7)	257,0 (308,3)
Novem- ber	202,6 (118,8)	236,7 (144,4)	185,3 (158,2)	180,0 (170,6)	141,3 (121,8)	295,5 (252,0)
Decem- ber	254,8 (140,3)	245,7 (103,8)	142,5 (114,0)	164,4 (115,9)	180,9 (125,2)	289,3 (261,7)

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

Exports

The total volume of deciduous fruit exported during the 1972/73 season shows a decline of about 16% compared with the previous season. Exports of all types of fruit decreased, with apricots and plums showing the biggest drop.

Despite the decrease in the volume exported and the imposition of prohibitively high compensatory levies on the import of apples and pears by the United Kingdom during the early part of the marketing season, total gross earnings for 1972/73 rose to the record figure of R89,3 million, which is roughly 12% higher than in 1971/72.

The total export earnings of the various products during the past three seasons are as follows:

Type of fruit	1972/73	1971/72	1970/71	1972/73 1971/72
	R1 000			%
Apricots	54	96	73	56
Peaches	662	780	591	85
Plums	1 526	2 115	1 149	72
Pears	11 706	9 705	7 059	121
Grapes	18 501	19 881	15 946	93
Apples	56 887	47 047	34 766	121
Total	89 335	79 624	59 577	112

These favourable export realisations may be ascribed chiefly to the exceptionally poor fruit crops in competitor countries and in Europe.

Although pool costs generally increased relatively fast during the 1972/73 season, producers received considerably more for their produce than during the previous season. The average payments, in cents per unit, for the most important types of fruit during the 1972/73 and 1971/72 seasons are given below:

Type of fruit		1972/73 c per unit	1971/72	Increase %
Apricots	D/L	268	211	27
Peaches	S/L	126	93	36
Plums	S/L	256	170	51
	D/L	348	253	38
Pears	D/L	167	134	25
	Box	368	231	59
	Carton	355	227	56
Grapes	Box	219	164	34
Apples	Carton	427	245	74

Export prices

The prices of deciduous fruit on the overseas market were considerably better during the 1972/73 season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competing countries. It is expected, however, that prices in 1973/74 will certainly not reach the record level of the past season. Crops in competitor countries and in Europe appear to be normal this year, which will entail considerably larger offerings than during the previous season. It is further anticipated that the exchange rate position will result in an unfavourable sterling/rand conversion for South African producers.

General

The Board is still attempting to improve the quality of fruit, by means of research, into the standard of packing, the colour and size of the fruit, etc. Efforts are also being made to send most of the 1974 grape exports from the producer to the overseas market in palletised form, in order to eliminate individual handling. A start has also been made with the palletisation of other types of fruit.

CANNING OF DECIDUOUS FRUIT

Intake

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1971/72 and the 1972/73 season, with an indication of the expected deliveries during 1973/74, is shown in the following table:

Product	1973/74	1972/73 Tons	1971/72	1973/74 1972/73 %
<i>Apricots</i>				
Bulida	8 730	9 299	10 697	94
Royal and Peeka	3 270	3 573	4 403	92
Total	12 000	12 872	15 100	93
<i>Pears</i>				
Bon Chrétien	46 000	48 211	41 982	95
Other cultivars	—	8 516	5 294	—
Total	46 000	56 727	47 276	81
<i>Peaches</i>				
Clingstone	108 000	106 910	109 011	101
Freestone	—	34	27	—
Total	108 000	106 944	109 038	101

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season, while the intake for 1973/74 is expected to decline by about a further 7%. The decrease must be attributed to a light bearing as a result of unfavourable weather conditions during the blossoming stage, drought conditions and a shortage of irrigation water in certain areas, and the big demand for Royal apricots for drying. The quality this year was generally better than during the 1972/73 season, although Royal apricots were smaller than usual in certain areas.

The tonnage of Bon Chrétien pears accepted during the 1972/73 season was roughly 15% higher than during the 1971/72 season. The latest indications are that the intake will decrease by about 5% during the 1973/74 season. This decline may possibly be ascribed to an over-long blossoming period as a result of unfavourable weather conditions. Nevertheless, the quality looks fairly good and it appears that the fruit will be of normal size.

Contrary to expectation, the intake of clingstone peaches decreased by about 2% during the 1972/73 season, compared with the previous year. According to present indications the intake will increase slightly during the 1973/74 season. With the exception of fruit in certain regions seriously damaged by hail, and fruit which was small due to drought conditions and a lack of irrigation water, the quality of the early cultivars was relatively good. Although conditions were the same for the late cultivars in the particular areas, the quality of the crop in general looks promising. At this stage it cannot be determined, however, to what extent the abovementioned adverse factors will affect the total intake.

Prices

The fixed minimum farm prices for apricots, pears and peaches for the three seasons following 1971/72 and the average farm prices received by producers for their deliveries, were as follows:

Product	1973/ 74	1972/ 73	1971/ 72	1973/74 1972/73
	R per ton			%
<i>Bulida apricots</i>				
<i>Minimum prices</i>				
Canning grade	83,00	68,00	63,00	122
Jam grade	55,00	42,00	41,00	131
<i>Average farm price</i>		66,91	60,36	—
<i>Royal and Peeke apricots</i>				
<i>Minimum prices</i>				
Canning grade	90,00	68,00	65,00	132
Jam grade	65,00	44,00	43,00	148
<i>Average farm price</i>		66,76	62,45	—
<i>Bon Chrétien pears</i>				
<i>Minimum price</i>				
Canning grade	83,00	56,00	51,00	148
<i>Average farm price</i>		55,01	48,28	—
<i>Clingstone peaches</i>				
<i>Minimum price</i>				
Canning grade	106,00	75,00	64,50	141
<i>Average farm price</i>		74,09	61,20	—

The minimum farm prices for the present season were adjusted sharply upwards on the basis of more favourable export possibilities.

Gross farm value

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

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

DRIED FRUIT

Production

As expected, the total production of dried fruit for 1973 exceeded that of 1972 by more than 500 tons. The production of controlled fruit rose by 6%, while that of sultana types and the total dried vineyard fruit production rose by 22% and 15%, respectively.

The drop in the production of lye-dipped sultanas may be ascribed to the fact that many producers changed to the production of Thompson seedless raisins, which offer a higher return owing to favourable international market conditions. The low production of currants and prunes is ascribed to poor weather conditions.

In 1973 14 324 tons of dried vineyard fruit, or 93% of the total production, was produced in the Orange River area. As far as uncontrolled dried fruit is concerned, 74% — chiefly dried peaches, dried pears and dried apricots — was produced in the Wellington, Wolseley and Ceres areas.

Particulars of dried fruit production during the past three years are given in the following table:

Product	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Lye-dipped sultanas	1 458	3 009	2 702	48
Sulphured sultanas	1 115	848	927	131
Thompson seedless raisins	11 394	7 567	7 628	150
Raisins	888	1 188	947	75
Currants	467	702	693	66
Prunes	860	1 835	1 745	47
Subtotal	16 182	15 149	14 669	106
<i>Uncontrolled dried fruit</i>				
Apricots	1 000	1 194	951	84
Apple quarters/rings	148	233	146	64
Peaches	1 626	1 781	1 964	91
Pears	807	834	405	97
Other	169	200	192	85
Subtotal	3 750	4 242	3 658	88
Grand total	19 932	19 391	18 327	103

Products	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Sulphured sultanas	772	752	808	103
Lye-dipped sultanas	1 785	1 843	1 758	97
Thompson seedless raisins	3 197	2 435	2 331	131
Currants	547	958	950	57
Raisins	817	1 020	980	80
Prunes	1 232	1 811	1 671	68
Subtotal	8 350	8 819	8 498	95
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	220	187	154	118
Apricots	422	409	308	103
Peaches	1 495	1 096	1 214	136
Pears	613	510	514	120
Other	219	146	160	150
Subtotal	2 969	2 348	2 350	127
Grand total	11 319	11 167	10 848	101

Exports

Exports of controlled dried fruit rose by 47% during 1973, while those of uncontrolled dried fruit dropped by 17%. Total exports amounted to 10 050 tons, which is 27% higher than in 1972.

Particulars of dried fruit exports during the past three years are given below:

Imports

The world-wide shortage of almost all types of dried fruit made imports virtually impossible during 1973. It was nevertheless possible to import 181 tons of prunes and about 78 tons of apple rings. The apple rings and some of the prunes were imported with a view to exporting them again in mixed fruit. Although there is a big demand for currants, no stocks could be imported during 1973 and it was again decided that no currants be offered to consumers unmixed.

Local marketing

Total local sales of dried fruit amounted to 11 319 tons in 1973, which is 152 tons more than in the previous season. Sales of vineyard fruit rose by 2%, while 14% more sultanas were sold.

The decrease in sales may be ascribed to exceptionally low production and the fact that stocks from other producer countries were difficult to obtain.

Local sales of dried fruit during the past three years are reflected in the following table:

Type	1973	1972	1971	<u>1973</u> <u>1972</u>
		Tons		%
<i>Controlled dried fruit</i>				
Orange River sultanas	1	759	1 450	—
Sulphured sultanas	126	90	120	140
Thompson seedless				
raisins	7 831	4 465	5 612	175
Raisins	—	—	11	—
Prunes	—	91	—	—
Subtotal	7 958	5 405	7 193	147
<i>Uncontrolled dried fruit</i>				
Apple rings/quarters	27	10	—	270
Apricots	816	1 010	607	81
Peaches	461	648	334	71
Pears	68	176	85	39
Malaga raisins	—	12	—	—
Mixed fruit	700	658	518	106
Minced fruit	5	6	11	
Other	20	30	11	208
Subtotal	2 092	2 532	1 555	83
Grand total	10 050	7 937	8 748	127

The steep rise in the prices of sultana types on overseas markets during 1973 brought about a considerable increase in producer realisations. The average producer prices for 1973 compare as follows with those obtained the previous year:

Type	1973	1972	<u>1973</u> <u>1972</u>
		c per kg	%
Orange River sultanas	32,97	20,34	162
Western Province sultanas	34,01	18,38	185
Thompson seedless raisins	40,31	20,57	196
Sulphured sultanas	48,82	24,72	197
General			

According to indications the 1974 crop in the Lower Orange River cultivation area has been severely affected by exceptionally heavy rains and floods. The smaller quantities which will be offered are expected to be of a poor quality.

VITICULTURE

Production

The total area under vines, the area under vines of four years old and older and the total wine production for the last two years, with estimates for 1974, are given below:

Item	1974	1973	1972	<u>1974</u> <u>1973</u>
				%
Total area under vines (1 000 ha)	110,6	104,1	98,0	106
Area under vines four years and older (1 000 ha)	85,0	83,5	77,5	102
Percentage of vines four years and older	77%	81%	79%	—
Wine production (million hl)	4,9*	5,49	5,35	90

*Preliminary

As a result of relatively unfavourable production conditions, the indications at this stage are that the 1974 wine crop will be about 10% smaller than that of the previous year. The fact that vines of four years and older now constitute a smaller percentage of the total points to an accelerated rate of planting.

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

	1973	1972	1971	<u>1973</u> <u>1972</u>
				%
Good wine (million hl)	3,08	3,02	2,70	102
Distilling wine (million hl)	2,41	2,33	2,83	103
Ratio of good wine to distilling wine	1,28	1,29	0,96	—

The increase of 12% in the production of good wine as against distilling wine, which occurred in 1972, was maintained in 1973. The extent of good-wine production in relation to that of distilling wine is determined on the one hand by the demand and on the other hand by weather conditions.

Imports

The value of imports of wine and spirits (excluding whisky) is given in the following table:

Products	1972	1971	1970	<u>1972</u> <u>1971</u>
		R1 000		%
Unfortified wine	449	491	410	91
Fortified wine	70	112	97	63
Sparkling wine	149	172	179	87
Brandy	175	168	163	104
Liqueurs	447	513	482	87
Total	1 290	1 456	1 331	89

After an increase of about 11% in the import value of wine and spirits during 1970 and 1971 there was a decline of about 11% in 1972. Imports of brandy continued to increase during these three years, however, while imports of fortified wine showed a sharp decrease in 1972.

Local marketing

After only a slight increase in the consumption of unfortified wine in 1972, it is expected that consumption will show a moderate growth in 1973. The demand for fortified wine and sparkling wine is expected to show a considerable increase in 1973, as against a moderate growth the previous year. As far as the consumption of spirits is concerned, a fairly strong upsurge is expected for 1973, after the downward trend of 1972. In the case of brandy, sales for 1973 are estimated at about 8% higher than in 1972, while it is expected that the consumption of other spirits will increase by about 16%. A shortage of dry red wine is currently being experienced on the local market and because of the long-term nature of production it will be difficult to alleviate the position in the near future. The use of wine spirits in the manufacture of gin, vodka and liquers varies according to availability.

The percentage changes in the domestic consumption of wine and spirits over the past two years, with an estimate for 1973, were as follows:

Product	<u>1973</u> 1972	<u>1972</u> 1971	<u>1971</u> 1970
	%		
Unfortified wine	+ 3,6	+ 0,6	+ 19,4
Fortified wine	+ 17,0	+ 7,6	- 0,7
Sparkling wine	+ 14,0	+ 3,8	+ 7,3
Brandy	+ 8,0	- 4,2	- 7,9
Gin	+ 16,5	- 12,5	- 39,2
Vodka	+ 18,4	- 16,4	- 16,7
Liquers	+ 14,2	- 15,6	- 27,1
Wine spirits	+ 25,0	+ 98,7	+ 25,1

Exports

Britain is still the most important export market for South African wine and brandy, followed by Canada. The share of the British market continues to decline, however, while the Canadian market shows a healthy growth.

The volume and value of South African wine and brandy exported during the three years 1970-1972 are reflected in the following figures:

	1972	1971	1970	<u>1972</u> 1971
				%
Wine (1 000 hl)	115,8	123,4	109,8	94
Brandy (1 000 hl)	20,5	19,9	21,8	103
Value (R1 000)	4 670	4 229	3 682	110

Although the volume of exports of wine decreased by about 6% in 1972 and those of brandy show only a very slight increase, the total export value increased by about 10,4% as a result of better prices obtained on overseas markets. Spirits and fortified wines are the most important export products concerned but a lively demand was also experienced for dry wines, especially red wines, in 1974.

Prices

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

	1974	1973	1972	<u>1974</u> 1973
	R per hl at 20°			%
Minimum price of good wine to the trade	15,20	12,15	12,12	125
Minimum price of distilling wine to the trade	10,12	8,80	8,80	115
Advance price for distilling wine to producers	8,50	7,30	7,13	116
Bonus on rebate wine	4,33	2,15	1,29	201
Declared surplus (%)	16	17	19	94

CITRUS

Production

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	40 000	38 623	31 018	104
Grapefruit	8 800	8 500	7 448	103
Lemons	1 700	1 622	1 392	105
Total	50 500	48 745	39 858	104

Estimates of the 1974 crop indicate that it will differ little from the 1973 crop. According to indications the fruit should be considerably bigger, however, which will result in an increase in the volume of exports.

Local marketing

Fresh market sales

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

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	11 470	11 805	9 806	97
Grapefruit	590	792	802	74
Lemons	322	394	336	82
Total	12 382	12 991	10 944	95

The relatively large drop in grapefruit sales may be ascribed chiefly to the smaller type of fruit which was offered.

Factory sales

Sales to factories during 1972 constituted 35% of the total crop, as against 25% in 1971, while this figure dropped to 31% in 1973.

Pool sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, and estimated sales for 1973, are given below:

	1973	1972	1971	<u>1973</u> 1972
	1 000 10 kg containers			%
Oranges	13 140	15 359	9 786	85
Grapefruit	4 650	4 673	3 669	99
Lemons	434	444	649	98
Total	18 224	20 476	14 104	89

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

Marketing abroad

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

If the present economic elimate in the European countries continues, the result may be that imports from these countries will decrease in 1974. This will mean that more fruit will have to be marketed locally.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, are reflected in the following table:

	1973	1972	1971	<u>1973</u> 1972
	1 000 15 kg containers			%
Oranges	15 880	16 658	15 480	95
Grapefruit	4 150	4 743	4 349	87
Lemons	660	724	426	91
Total	20 690	22 125	20 255	93

Prices

Local

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1973	1972	1971	<u>1973</u> 1972
	c per 10 kg container			%
Oranges	54	48	45	112
Grapefruit	73	70	70	104
Lemons	102	88	71	115

Abroad

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1971, 1972 and 1973 are shown in the following tabular statement:

	1973	1972	1971	<u>1973</u> <u>1972</u>
	c per 15 kg container			%
Oranges	344	309	281	111
Grapefruit	341	305	376	112
Lemons	533	576	386	92

The total gross realisation on overseas markets amounted to R65 million in 1973.

BANANAS

Production

An exceptionally high production level was maintained from July to December 1973 as a result of favourable weather conditions. Hence 126 133 containers were offered for marketing during the week ended 24 November 1973, which is the greatest number of containers ever delivered by producers in one week. The previous record was set in the corresponding week of 1972 when 98 768 containers were received by the Board.

The total offering from the sixth pool amounted to 469 332 containers. This exceptionally large offering caused prices on the Cape Town market to collapse to such an extent that transport costs could not be covered and the Board was therefore obliged to hold back part of the production temporarily in the production areas. Production began to show a downward trend from the beginning of January 1974. This decline is, however, a normal seasonal occurrence.

Weather conditions have been particularly favourable so far this season and it can be assumed with reasonable certainty that the offering during the winter months will be sufficient to meet the normal demand.

The quantity of bananas received from local sources during the past six pools, i.e. from 1 July 1973 to 15 December 1973, compares as follows with the quantities received during the preceding two years:

1973	1972	1971	<u>1973</u> <u>1972</u>
20 kg Units			%
1 851 170	1 657 859	1 501 335	112

Imports

The quantity of bananas imported by the Board during the first six pools of 1973/74 and the previous two years, were as follows:

	1973/74	1972/73	1971/72	<u>1973/74</u> <u>1972/73</u>
	20 kg units			%
Mozambique	116 526	90 573	305 036	129

Marketing

In addition to sales, at a fixed price, to a number of private distributors of bananas ripened in its own centres, the Board also uses certain municipal markets as outlets. By the end of 1972 the Board had already included the fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley as additional outlets for ripe bananas in order to make its marketing policy more flexible. During November 1973 Bloemfontein was added to this list, and this market, like those of Kimberley, East London and Port Elizabeth, is a controlled supply market where the Board sells bananas at pool prices.

The Pretoria Market is used as an ordinary wholesale distributor and the Board expects that the average net selling prices will be at least equal to the Board's fixed prices. The Johannesburg Market is used chiefly as a link between the Board and the Bantu markets on the Reef.

Since the Bantu market has great potential, which can be put to good use to sell surpluses when there is a glut, the Board has decided use the sale of bananas at reduced prices to develop this market. At present the Board sells bananas on the Bantu markets of Pretoria, Johannesburg and Vereeniging.

Prices

The Board merely fixes a selling price for ripe bananas at its ripening centres and private distributors and retailers determine their own margins.

Due to fluctuations in production the Board's selling price for large bananas was adjusted as follows from 1 July 1973:

Period	R per 20 kg
1.7.73 - 21.7.73	R4,20
22.7.73 - 15.9.73	R3,60
from 19.9.73	R3,00

The average gross yield and net payments to producers per 20 kg unit, excluding costs of containers, for the years 1970/71 to 1972/73 and for the first six pools from 1970/71 to 1973/74, are shown in the following table:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	<u>1973/74</u> <u>1972/73</u>
	R per 20 kg				%
<i>Pools 1 to 6</i>					
Gross yield	2,27	2,21	2,12	2,59	103
Net payments	1,51	1,53	1,42	1,85	99
<i>Annually</i>					
Gross yield		2,61	2,14	2,88	—
Net payments		1,89	1,46	2,08	—

VEGETABLES

Sales on fresh produce markets

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period July to December 1973, are shown in the accompanying table in comparison with the average sales figures for the corresponding months of the previous three years — 1970 to 1972.

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
1 000 tons					
July	37,0 (28,9)	15,0 (8,8)	11,6 (6,0)	6,2 (4,3)	1,7 (0,9)
August	29,7 (35,6)	12,4 (11,0)	10,9 (7,7)	5,9 (5,6)	0,9 (1,1)
September	28,8 (31,6)	11,9 (9,5)	10,9 (7,7)	7,1 (5,6)	1,0 (1,4)
October	33,7 (32,6)	14,2 (11,9)	13,4 (7,8)	7,1 (5,6)	1,0 (1,3)
November	27,3 (34,1)	11,9 (13,0)	8,7 (6,8)	7,0 (5,3)	1,0 (1,3)
December	26,9 (29,9)	7,8 (11,8)	6,5 (5,5)	6,2 (5,6)	0,9 (0,9)

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

During the months July to December 1973 a total of 542 700 tons of vegetables was sold on the nine principal fresh produce markets, which is 25,4% more than the average sales during the corresponding six months of the previous three years. Potatoes comprised 183,3 thousand tons of these sales — 9,0 thousand (4,7%) less than the average during the previous three-year period.

The decline in the case of potato sales did not apply to other vegetables and if potatoes are excluded, the mass of other vegetables sold shows a total increase of 49,4% on the average sales for the corresponding period during the previous three years.

The total value of vegetables sold (including potatoes) during the period July to December 1973 amounted to R39,6 million, which represents an increase of 34,4%, compared with the average of R29,5 million for the previous three years. The total value of vegetables (excluding potatoes) shows an increase of 21,7% compared with the previous three years.

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

Month in 1973*	Pota- toes	Toma- toes	Cab- bages	Onions	Green beans
R per ton					
July	86 (57)	82 (115)	28 (38)	132 (114)	113 (172)
August	91 (58)	91 (107)	26 (33)	95 (107)	190 (176)
September	97 (71)	108 (133)	22 (26)	59 (92)	194 (116)
October	131 (81)	147 (112)	19 (25)	50 (61)	212 (129)
November	114 (64)	129 (91)	19 (22)	37 (53)	141 (89)
December	102 (60)	240 (92)	22 (25)	38 (53)	92 (85)

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

Potato prices were consistently higher during the last six months of 1973 than in the corresponding period of the previous three years. The increase in the supply of other vegetables resulted in the prices of certain vegetables actually being lower than in the previous

three years. Tomatoes were an exception, however, with prices relatively high during the months October to December. In December in particular tomatoes fetched exceptionally high prices.

Canning

It is estimated that the total quantity of vegetables (including potatoes) canned during the period July to December 1973 amounted to about 40 325 tons, which is about 5 460 tons less than the average quantity for the preceding three years. The farm value of vegetables canned during the same period of 1973 was 44,4% lower than the average for the corresponding periods of the previous three years — R1,5 million as against R2,7 million.

Exports

The quantity of vegetables (including potatoes) exported during the last six months of 1973 was estimated at about 4 300 tons, as against an average of 3 100 tons the previous three years. This represents a decrease of 39%. The estimated proceeds during this period amounted to R332 000, however, compared with an average value of R186 000 for the previous three years.

POTATOES

Production

As appears from the following table, plantings of potatoes during recent seasons decreased by about 3 000 hectares per annum. After remaining more or less constant for the past three seasons, production decreased sharply during the 1972/73 season. This decline in production was due chiefly to general drought conditions, particularly in the Highveld region, which usually contributes about 45% of the crop.

Year (Oct./Sept.)	1972/ 73	1971/ 72	1970/ 71	1969/ 70	1972/73 1971/72
					%
Area (ha)	40 407	43 882	46 882	49 699	92,1
Production (million 15 kg pockets)	33 829	39 719	39 143	39 442	85,1

During 1973 a relative shortage of potatoes was experienced almost continually on all the Republic's major markets. As a result of the smaller summer crops, marketing was completed more quickly than usual —

with the result that a smaller portion than is normally the case was available for winter and spring marketing. In addition, the partial failure of the summer crops in certain regions resulted in a shortage of suitable planting material for winter plantings — which also contributed directly to the smaller offering during the second half of 1973.

As far as the prospects for the first six months of 1974 are concerned, the Transvaal Highveld crop which is now being marketed looks very promising. It is estimated that the present Highveld crop will total roughly 13 million pockets, as against last year's crop of about 10,5 million pockets. Production in other areas is also very promising throughout and it is expected that the total summer crop for 1974 will be bigger than that for the previous year.

As a result of the shortage which were experienced during the second half of 1973 on the northern markets in particular, imports from neighbouring territories were allowed on a limited and regulated scale.

The quantity of table potatoes imported during the past three years (October/September) was as follows:

	1972/73	1971/72	1970/71
	15 kg pockets		
Imports	122 823	49 500	203 375

Local marketing

About 80% of the potato crop is marketed in the controlled areas where roughly 90% of the offering is sold on municipal markets. Sales on these markets during the past three years are shown hereunder:

Year (Oct./ Sept.)	Sales 15 kg pockets	Value R	Average price c per 15 kg
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73
1972/73	25 689 155	36 912 003	144
1972/73 1971/72	86%	170%	197%

Exports

The Potato Board, which is the sole exporter of potatoes, dispatches potatoes every year to a number of

traditional overseas and neighbouring markets, and efforts are constantly made to develop new export outlets. Exports are increasingly hampered, however, particularly by high rail tariffs and continual increases in shipping rates.

Only limited quantities of potatoes were exported during the past six months owing to the shortage. In the coming six months, which are the Republic's normal export season, it is expected that reasonable quantities will be exported to regular and possibly even to sporadic markets.

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

Year (Oct./ Sept.)	Table potatoes	Seed potatoes	F.o.b. value
	15 kg units		R
1970/71	562 663	254 465	863 314
1971/72	349 850	281 962	763 279
1972/73	331 808	233 387	1 110 863
<u>1972/73</u>	95%	83%	146%
1971/72			

Prices

During the second half of 1973 prices were still at a fairly high level, but then began to decline when the new summer crops came on the market. It is expected that prices for the coming six months will be at a relatively lower level, compared with the corresponding period last year.

The average prices for first grade (medium) potatoes on the Johannesburg market for the past three years compare as follows:

Month	1973/74	1972/73	1971/72	1970/71
	c per 15 kg			
October	182	230	64	113
November	151	139	65	115
December	121	112	59	105
January	—	119	49	77
February	—	123	38	65
March	—	136	42	62
April	—	186	52	74
May	—	158	62	69
June	—	134	69	78
July	—	131	89	71
August	—	140	132	63
September	—	150	185	64

ROOIBOS TEA

Production

Research and extension work on the most effective production practices are being continued with a view to increasing rooibos tea production. Research is being conducted *inter alia*, on establishment practices and the fertilisation of rooibos tea. Favourable results have been obtained thus far with more intensive plantation care.

The new method of co-operative central processing of rooibos tea stimulated interest in production and created a new demand for the scarce tea seed. The price of tea seed rose from R33 to R44 per kg.

Despite an increase in plantings and production, the demand for rooibos tea could not be fully met.

Details of the area planted to rooibos tea and the intake of tea by the Rooibos Tea Control Board since 1971, together with estimates for 1974, are given below:

Year	Area planted Hectares	Intake 1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 200	728
1974	9 000	1 100

Exports

In view of the Board's limited stocks and to protect existing established markets, the Board had to limit tea supplies for export and local marketing. This curbed the creation of new export markets and the expansion of existing markets. Orders from existing export markets, however, were met regularly. Particulars of rooibos tea exports are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	48 900	23 500
1973	55 892	29 064

Consumption

Interest in rooibos tea as a health drink and its use in cooking, grills and deserts stimulated consumption

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprys ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333-334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416-442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on ac-

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18,8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14,8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

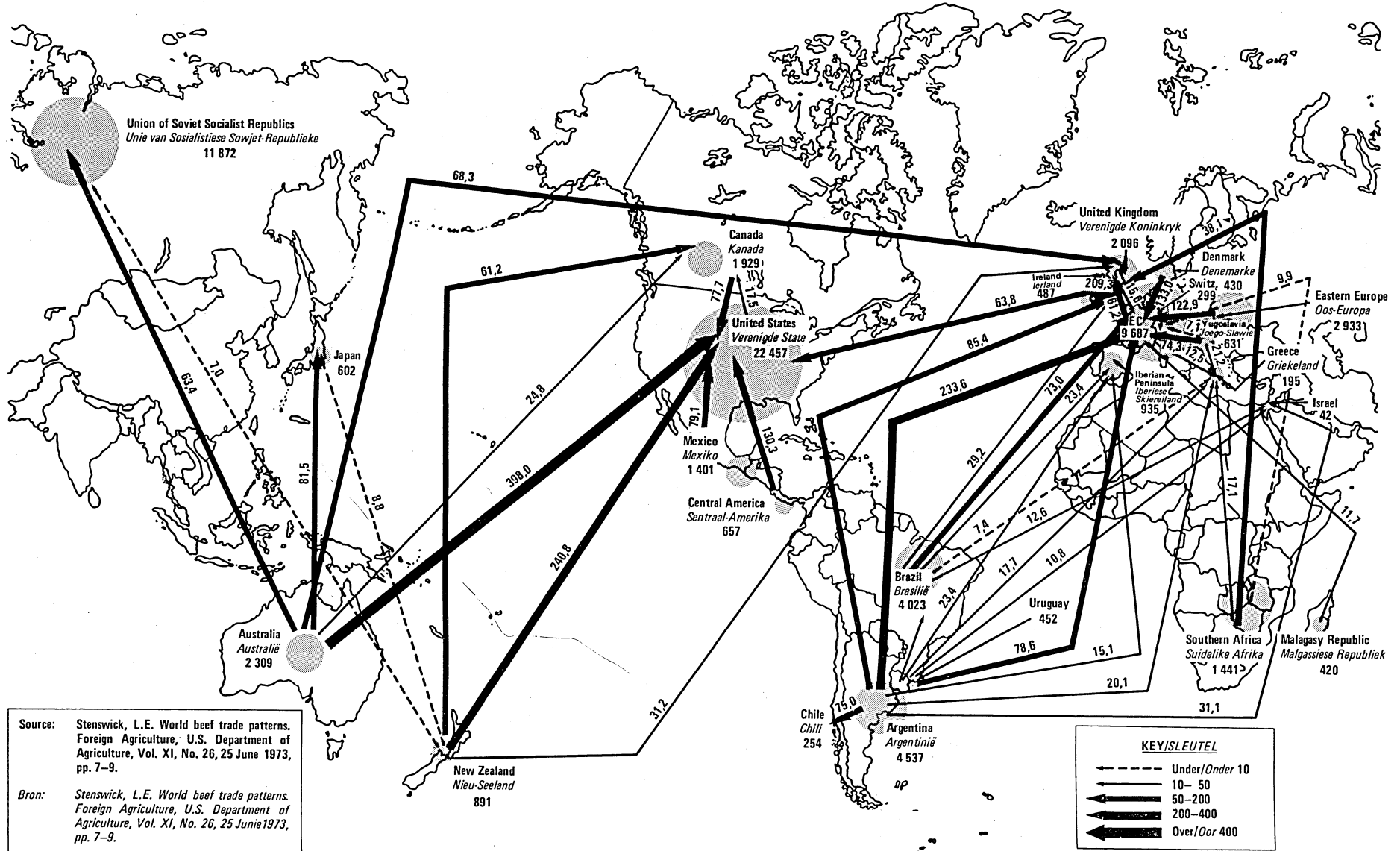
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts
					2)	3)	4)	5)		6)	7)
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

further. The Rooibos Tea Control Board had to reduce the original quota allowance during the past year by as much as 23,25% owing to insufficient stocks. In view, however, of the expected higher production for 1974 it was possible to relax quota control considerably and packers will receive 90% of the original quota allowances during 1974.

Sales by the Board, the proceeds and consumption since 1970 are detailed in the following table:

Year	Sales 1 000 kg	Proceeds R	Consumption 1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	827	372 756	1 154

Stocks

Stocks with packers as well as those held by the Board, are now very limited. The stocks in the possession of the Board had decreased to 10 920 kg at the end of 1973, as against 194 750 kg at the end of 1972. Under the present quota arrangement the entire 1974 crop will be allocated to packers. At the end of 1973, packers still had 62 823 kg of packed and unpacked rooibos tea. A large portion of the tea was carried over to supply the market until such time as the Board could release new stocks again during 1974. In order to maintain some continuity in the market, the Board released 10% of the January/March quota during January 1974. Further allocations to packers will be made as deliveries from producers are received and stocks can be made available again.

Prices

In view of the shortages and the steadily increasing cost of production, the Board decided to increase the packers' prices for 1974 with the object of paying producers a more economic price and so encourage the production of more tea. Details of the approved packers' price for A1 quality rooibos tea, the advance and final payments for S1 quality rooibos tea and the total return per kg for the past few years, with estimates for 1974, are given below:

Year	Packers' price Grade A1	Producer price Grade S1		
		Advance payment	Final payment	Total
		c per kg		
1971	44,00	20,00	14,00	34,00
1972	47,00	23,00	13,81	36,81
1973	52,00	27,00	10,00	37,00
1974	58,75	32,00	11,75	43,75

LIVESTOCK

GRAZING CONDITIONS

Compared with the corresponding period of 1973, feed production and grazing conditions are exceptionally favourable this year and if the present rain pattern continues till March/April 1974, the most favourable conditions for livestock production in many years are expected.

Soaking rains in the central part of the Republic during February and March 1973 considerably relieved the poor grazing conditions. As a result of the late rains, however, and the poorly distributed rains earlier in the summer of 1973 the veld could not achieve sufficient growth and mature sufficiently in all cases. Feed production was also considerably retarded. On the Cape West Coast the winter rains were also inadequate. In general, grazing conditions during the 1973 winter varied from fair to poor. This applied particularly to the Cape West Coast region, the eastern Cape region, the North Western Transvaal and the western and northern parts of South-West Africa.

Adequate and well-distributed rains began to fall over most of the Republic and South-West Africa from August 1973, and these favourable conditions are still prevailing. Basically, no serious problems are at present being experienced with grazing. Stocks of protein feeds are still causing concern, but adequate quantities of phosphate feeds are available.

By the middle of May 1973 it was possible to remove all districts in the Free State, the Western Transvaal and the Eastern Cape from the grazing distress list, and those in the North Western Transvaal by November 1973. At the end of February 1974 there were four districts on the Cape West Coast, small parts of two Karoo districts and eight districts and portions of districts in South-West Africa listed as grazing distress areas.

LIVESTOCK NUMBERS

Cattle

The cattle population on the farms of White farmers was estimated at 8,4 million for November 1973, as against 8,3 million in November 1972.

The composition of the cattle population on a regional basis, as at the end of November in each year since 1971, is reflected in the following table:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Highveld	2 514	2 458	2 397	102
Transvaal	2 051	2 077	2 078	99
Natal	1 419	1 344	1 319	106
Northern Cape	924	915	860	101
Eastern Cape	720	699	655	103
Southern O.F.S.	370	368	365	101
Winter Rainfall	351	348	353	101
Karoo	99	94	86	105
Total	8 448	8 303	8 113	102

It appears that cattle numbers increased slightly during the past year. Numbers increased in all the regions, compared with November 1972, except in the Transvaal, where there was a slight decrease. The overall increase amounted to about 2%. Owing to favourable prices and exceptionally good grazing conditions, cattle numbers may be expected to increase further.

Sheep

The sheep population on the farms of White farmers is estimated at about 29,6 million for November 1973, as against 29,4 million in November 1972. The composition of the sheep population on a regional basis, as at the end of November in each year since 1971, was, as follows:

Region	1973	1972	1971	<u>1973</u> <u>1972</u>
	1 000			%
Karoo	6 234	6 378	6 251	98
Highveld	4 885	4 696	4 748	104
Northern Cape	4 336	4 225	3 945	103
Southern O.F.S.	3 899	3 840	3 974	102
Eastern Cape	3 592	3 833	3 670	94
Winter Rainfall	3 103	2 951	2 882	105
Transvaal	2 149	2 071	2 131	104
Natal	1 409	1 389	1 470	101
Total	29 607	29 383	29 071	101

It appears that the downward trend in sheep numbers has now been checked, except in the Karoo,

where there is still a slight decline. The sharpest increase occurred in the Winter Rainfall Region, followed by the Highveld and the Transvaal. The favourable wool and meat prices and exceptionally good grazing conditions should further stimulate interest in this industry and numbers are expected to increase more rapidly in the future.

MEAT

Commercial slaughterings

Particulars of commercial slaughterings of the various types of slaughter stock in the Republic during the past four years are given below:

Type of livestock	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000				%
Cattle	2 015	2 021	1 805	1 636	100
Calves	136	172	167	180	79
Small stock	5 274	6 736	9 148	9 170	78
Pigs	1 513	1 305	1 223	1 349	116

The sharp rise in cattle slaughterings in recent years was not maintained during 1973, which indicates that the accumulation on farms since the late sixties owing to inadequate slaughter facilities has been eliminated. This is further illustrated by the fact that pressure on marketing had decreased to such an extent by the end of 1973 that all permit and quota arrangements, which had been in force at some markets since the end of 1969, could be cancelled. Total cattle slaughterings in fact decreased slightly, while calf slaughterings dropped sharply – by about 21%.

The offerings of cattle from the Republic increased during 1973, compared with 1972, while the supply from South-West Africa decreased by about 109 000 to 311 000 cattle. The supply from South-West Africa to the controlled areas dropped by about a half to 126 000, while the supply to the uncontrolled area increased by 14 000 to 185 000. A large proportion of the cattle from South-West Africa which are marketed in the uncontrolled area go to the controlled markets after fattening in feedlots. More stallfed cattle were marketed this year than in any stage in the past, and cattle fattening on a large scale by specially equipped organisations, as well on a smaller scale by individual producers, is developing into an established practice.

The indications are that meat prices are stimulating keen interest in this industry and consequently beef production may henceforth develop more rapidly as a result of intensified production practices. Beef production is a long-term undertaking, however, and the results of the latest developments, which even include a change-over from dairying to meat production, are therefore not yet reflected in the volume of production. Cattle slaughterings at this stage are still being maintained at a relatively high level, but there are indications that stocks may become scarcer in the short term. Additional stocks to supplement local supplies can still be obtained from neighbouring territories and the prospects are that marketing of beef in the Republic from these areas will increase owing to poorer export possibilities. Limited transport facilities may, however, hinder this development.

Compared with 1972, when small stock slaughterings dropped by about 2,4 million as against the previous year, the decrease in 1973 was about 1,5 million. The offering of small stock shows a gradual improvement, however, and indications are that it will improve further as a result of the favourable wool and meat prices, exceptionally favourable weather conditions and the marked restoration of the flocks.

Pigs were the only type of livestock to show a noteworthy increase in slaughterings in 1973, and a record total was, in fact, slaughtered. At present the offering is such that a small surplus of baconers has developed and the indications are that the pork market will be fully supplied in the coming months.

Supply of red meat in the controlled areas

The total supply of the various types of red meat in the controlled areas, with the exception of pork, decreased during 1973. The decrease in the total supply was considerably greater than in 1972. Details of the supply in the controlled areas during recent years are furnished in the following table:

Type of meat	1973	1972	1971	1970	<u>1973</u> <u>1972</u>
	1 000 tons				%
Beef	292,3	301,1	275,4	250,4	97
Veal	3,4	4,3	4,1	3,9	79
Mutton	60,5	70,1	99,6	97,6	86
Pork	40,0	35,9	36,0	38,3	111
Total	396,2	411,4	415,1	390,2	96

With the exception of pigs, purchases by the Meat Board at guaranteed prices decreased further during 1973. Auction prices, except in the case of pigs, were

generally considerably higher than guaranteed prices, and this despite the considerable increase in guaranteed prices for the various types of meat for the 1973/74 season. Purchases of carcasses by the Meat Board at guaranteed prices were as follows:

Type of meat	1973	1972	1971	1970
Beef	210	5 305	31 650	15 868
Lamb	—	—	1 647	6 676
Mutton	—	—	4 714	7 317
Goat	—	—	140	1 333
Pork	17 160	41	127	5 535

Only limited stocks were purchased by the Meat Board under the support price scheme which was introduced in 1973. The purpose of this scheme is to counteract drastic price fluctuations in the case of cattle and small stock by purchasing stocks in a declining market which can be sold later in a rising market. The numbers purchased were as follows:

Beef	5 807
Lamb	16 454
Mutton	6 048
Goat	460

The scheme was improved in the course of time and is functioning smoothly at present. Success is achieved particularly by checking sharp downward price fluctuations and thereby stabilising market prices.

Imports

The supply of cattle and beef in the Republic is supplemented by imports from neighbouring territories. Meat in the form of refrigerated carcasses and frozen cuts is imported and whereas meat imports have gradually decreased in recent years, due partly to more favourable export possibilities, the opposite is true for 1973. During 1972 imports amounted to the equivalent of 166 848 carcasses, as against 187 445 carcasses in 1973. In relative terms, the importation of meat in the form of cuts shows the sharpest growth.

In the case of small stock, 85 538 sheep and lamb carcasses were imported from New Zealand and Australia, apart from imports of limited quantities from neighbouring territories. These stocks were sold in the controlled areas during 1973. Imports of mutton from these countries were stopped, however, *inter alia* because of the improvement in the local supply and the sharp rise in mutton prices overseas which made importing at break-even prices scarcely possible. In addition import stocks were hard to come by and the local trade was reluctant to take imported stocks for most of the year.

Exports

Basically South Africa is a net importer of beef. Furthermore, the net realisation on exports until about the end of 1971 was such that, in the main, exports were undertaken mostly on a subsidised basis. Since then the supply/demand position on the world markets has changed to such an extent that overseas prices have risen sharply, favouring exports from the Republic. The devaluation of the rand has also made a contribution in this regard.

Exporting could therefore be undertaken on a profitable basis and interest in exporting increased to such an extent that it was decided to control exports quantitatively from the beginning of the 1972/73 export year by means of export quotas. Since the already limited total export quota from the Republic for the 1973/74 export year was reduced, it was also decided not to admit any new entrants to the export industry as from the 1974/75 export year. The allocation to exporters in the Republic was reduced from 178 000 to 128 700 cattle carcasses for 1973/74. The hardening of the rand in terms of other currencies, together with a sharp rise in local prices and export costs, were the main reasons for the decline in beef exports at the end of 1973.

The mass of beef exported during recent years is given below:

Exported by	1973	1972	1971	1970	<u>1973</u> 1972
	Tons				%
Trade	29 416	30 755	24 775	16 914	96
Meat Board	130	1 434	2 914	2 843	9
Total	29 546	32 189	27 689	19 757	92

Auction prices of meat

If auction prices for Grade I meat at Newtown are taken as the indicator, auction prices for all types of meat, with the exception of pork, rose sharply again this year, as is apparent from the following figures:

Type of meat	1973	1972	1971	1970	<u>1973</u> 1972
	c per kg				%
Beef	70,2	50,5	46,5	45,2	139
Lamb*	99,1	80,8	60,8	55,9	123
Mutton*	88,5	74,3	54,4	50,8	119
Porkers	60,2	58,8	54,5	46,1	102
Baconers	53,5	52,3	49,1	41,1	102

*Non-fat-tailed

While mutton prices are at present at an exceptionally high level and have firmed further this year, beef prices also rose steeply during the current year. With the improvement in the supply of small stock it is doubtful whether it will be possible to maintain the sharp upward price trend in 1974. In the case of beef a strong local demand, stimulated by purchases for export, played an important part in price trends and as a result of the poorer export possibilities it is also expected that prices will tend to rise less sharply in 1974. In view of the demand/supply position it is almost certain, however, that auction prices in the coming months will remain at high levels.

WOOL

Production

According to the latest livestock estimate it would appear that the decline in numbers of woolled sheep has now ended, although a diminution of Merino sheep is still noticeable. The increase in the number of woolled sheep, which began in August 1973, was therefore due to increases in the numbers of other woolled sheep such as cross breeds and Karakuls. The numbers of woolled sheep in White areas during the past three years are given below:

August	Total	Merino Million	Other
1971	25,5	21,0	4,5
1972	24,4	20,1	3,2
1973	25,1	19,7	5,4

The decline in Merino sheep numbers may still be the result of the practice of cross-breeding, which began when wool prices were very low. The building up of a pure Merino flock cannot take place overnight, but the indications are that the prevailing high wool prices may stimulate the restoration of Merino flocks in the future.

According to estimates the 1973/74 wool clip in spite of an increase of woolled sheep will decline further to about 102 million kg – the smallest clip in 23 years. The production of wool for the past four seasons was as follows:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Million kg				%
Grease mass	102,0	105,7	112,2	118,6	96

The decrease in the estimated wool production during the 1973/74 season may be attributed to a decline in the wool yield per sheep. This lower yield per sheep was due to an increase in deliveries of short wool at the end of the previous season – possibly as a result of the late summer rains which caused a break in the wool.

Imports

A deceleration in the economic activities of the South African wool textile industry resulted in a decline in wool imports during 1972. The quantities of wool imported annually during the past three years may be tabulated as follows:

	1972	1971	1970	<u>1972</u> <u>1971</u>
				%
		1 000 kg		
Grease wool	290	672	664	43
Scoured wool	1 914	2 664	2 845	72
Tops	309	441	607	70
Total	2 513	3 777	4 116	67

South Africa imports scoured wool because little carding wool, suitable for the manufacture of, for example carpets and blankets, is produced locally. Grease wool and tops are imported in order to manufacture special mixtures, in which wool from various countries is combined.

Local processing

The local processing of wool (scoured and combing) increased by about 8 per cent during the 1972/73 season, but a masked decrease is expected during the 1973/74 season. During the first six months a drop of more than 45% in the production of scoured wool and 25% in the production of tops had already occurred.

It is estimated that about 90% of the production of scoured wool and about 70% of the production of tops is exported annually. The local processing of grease wool during the past three seasons was as follows:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
Grease wool processed locally (million kg)	43,6	40,3	39,6	108
Percentage of total production	37,3	32,1	30,0	116

Exports

Exports of South African wool during the past three seasons are given below:

	<u>1972/</u> <u>73</u>	<u>1971/</u> <u>72</u>	<u>1970/</u> <u>71</u>	<u>1972/73</u> <u>1971/72</u>
				%
		Million kg		
Grease wool	71,0	100,4	67,4	71
Scoured wool	10,1	10,4	9,2	97
Tops	5,6	6,3	5,6	90

The considerable decrease in exports of grease wool during the 1972/73 season may be ascribed to exports of accumulated stocks during the 1971/72 season and to the accumulation of consignments which were not shipped during the 1972/73 season, while the decrease of about 6% in production also led to smaller exports.

Prices

An average price of 156c per kg of grease wool was obtained during the 1972/73 season, compared with 54c per kg the previous season. The favourable price trends continued during the present season, and up to the middle of January a price of about 168c per kg of grease wool was realised.

During August 1973 an advance price of 150c per kg of clean wool was approved, as against 114c per kg the previous year. In December 1973 it was further approved that this advance price be increased by an average of 25% to approximately 187c per kg of clean wool, as against an increased advance price of 174c per kg the previous year. This increased advance price was made possible by the favourable prices during the past and present seasons.

The considerable price increases during the 1972/73 season were due to a smaller supply of and an increased demand for textile fibres throughout the world. Japan's total wool purchases during 1972/73 were about 20% higher than during the previous year and this brought heavy pressure to bear on the total demand. As far as the supply is concerned, a decrease of about 10% occurred in the world wool supply. This decrease in the wool supply occurred at a time when favourable economic conditions and fashion trends prevailed in the more important wool textile consumer countries, stimulating further the demand for wool.

It is anticipated that the supply of wool for the 1973/74 season will decline by a further 4%. A shortage of other textile fibres is also being experienced at present and there are indications that prices of competitive fibres may rise considerably.

The oil crisis could also adversely affect the production of competitive fibres, but a slow down in the economic growth rate of the more important textile consuming countries may adversely affect the demand for textile fibres. All things considered, it is not expected that wool prices will fall drastically by the end of the 1973/74 season. In the long term it is expected that the world demand for textile fibres will increasingly favour natural fibres.

MOHAIR

Production

In view of the favourable weather conditions and the considerable improvement in the economic position of mohair producers it is generally considered that the declining production trend of the past few years has now been arrested.

The good rains during the winter clip's growth period improved grazing conditions to such an extent that production increased from 1 545 000 kg for the previous summer season to 1 855 000 kg for the past winter season. This represents a rise of nearly 20%.

Although the late summer rains had a favourable effect on reproduction, the winter clip's was excessively contaminated with seed in consequence. Under normal conditions seed contamination affects only 1,5 to 2% of the Republic's clip, whereas this figure was more than 11% during the past winter season. The present seed problems are such that excessive seed contamination will be experienced for at least another two seasons.

The lamb crop was better than usual owing to the good conditions of the animals in the mating season. Unless grazing conditions deteriorate drastically, this will assist in ensuring that mohair production for the coming summer season mohair production will remain on at least the same level as that for the past winter season.

The physical production of mohair during the past three years was:

	1973	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Mass of mohair	3 431	3 687	4 261	93

Exports

Mohair exports according to the countries of destination, compare as follows for the past three years:

Country of destination	1973*	1972	1971	<u>1973</u> <u>1972</u>
		1 000 kg		%
Belgium	10,8	21,9	25,5	49
Britain	1 471,5	1 462,3	1 355,6	101
France	324,8	452,6	332,6	72
Greece	18,9	129,8	121,9	15
Italy	275,0	776,5	747,6	35
Japan	275,9	558,0	379,1	49
The Netherlands	34,0	49,9	35,6	68
South Korea	10,4	146,5	284,8	7
Spain	350,5	455,4	380,6	77
Taiwan	11,3	52,1	93,0	22
West Germany	58,7	151,7	109,9	39
Other	36,5	45,0	56,7	81
Total	2 878,3	4 301,7	3 922,9	67

*Preliminary

As is apparent from the above data, the total quantity exported during 1973 was considerably lower than in 1972. When interpreting the figures it should be borne in mind, however, that virtually all accumulated stocks were shipped during 1972. In addition, only about 85% of the 1973 production has already been exported.

Britain is by far the most important buyer of South African mohair, and during 1973 the total volume shipped to this destination remained roughly constant, despite the decrease in the supply of approximately 7%.

Prices

The 1973 winter sales season was exceptionally favourable and although the clip was considerably smaller and moreover contaminated with seed, the income from mohair increased almost fourfold from R1 337 000 during the 1971 winter season to R5 213 000 for the past season.

The market opened at an average level of 297,7c per kg at the opening auction, held on 11 September, which was 4,6% under the previous season's closing price. This price was nevertheless 57,3% above the level of the corresponding auction in 1972. Competition at the first auction was good and only the prices of long good adult goat hair were unstable and did not fit completely into the market pattern.

At the second auction on 25 September, however, the market generally was firmer. The quality of the offerings was better and kids' hair and hair from young goats were in particularly good demand. There were also numerous orders for shorter adult goat hair of a good fineness, and prices of these types improved by 4,5%. Competition on good long adult goat hair was limited, however, but prices remained unchanged.

Competition at the third auction was also steady and prices remained unchanged on the whole. The first noteworthy price decreases occurred on the fourth auction on 23 October when the market declined by about 3,0%. On the following auction the market dropped by a further 6,2%, while price decreases of from 14,5 to 17,5% were experienced on hair contaminated with seed. Since the season was virtually over the Board could not provide the same protection for this type of hair as would otherwise have been the case.

On the second last auction on 27 November 1973 the market had largely recovered and prices increased by 4,5% and even more in the case of adult goat hair, but by slightly less in the case of kids' hair and hair from young goats, compared with the previous auction. Clips with short fine hair in particular attracted orders from the Continent. The demand was such that price increases of 10% and more occurred. The seventh and last auction of the season was held on 11 December, when the market was steady with prices mainly unchanged. The average price level was 286,9c per kg, which was 3,6% under the opening level.

The Board paid R2 291 000 in advances to producers on the winter clip and expects that this amount will be exceeded in the coming season chiefly on account of the expected rise in the offering and the greater quantity of fine hair which will be available due to the good lamb crop. The disposal of the coming season's production should present no problems since mohair still enjoys a good foreign demand. Britain is one of the Republic's biggest buyers, however, and it is possible that the present domestic crisis in that country could have an adverse effect on prices if it is not resolved before the new selling season starts in March.

The value of the clip and the average prices for the past three years are given below:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Value (R1 000)	11 308	7 304	2 980	155
Average prices (c per kg)	329,6	178,1	69,6	164

KARAKUL PELTS

Production

The production of karakul pelts amounted to 5 260 million pelts during 1973, which is 254 000 fewer than in 1972. The decline in production, which followed two successive record years, may be ascribed chiefly to the high flock replacement figure for flocks after the good rains which were experienced in the production area. An additional factor was the effect which the good but late rains had on the lamb percentage.

As a result of the good rains which fell in October and November 1973 the lamb percentage may be expected to rise in 1974, resulting in an increase in the supply of pelts.

Exports

The number of pelts exported during the past three years and the total value realised compare as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
Number of pelts (1 000)	5 260	5 514	5 388	95
Value (R million)	48,4	54,9	43,6	88

It appears that pelt exports declined by 5% in 1973, while the total value realised was 12% lower.

Prices

The average prices obtained at auctions during the past three years were as follows:

	1973	1972	1971	<u>1973</u> <u>1972</u> %
	R per pelt			
Average price	9,21	9,96	8,08	92

Monetary uncertainty and high interest rates in the countries that are the most important consumers of Swakara had a negative effect on auction prices in 1973. Coupled with this was a slight levelling off in the demand, particularly for black karakul pelt garments, and considerable increases in the cost structure of fur garment manufacturers. These factors resulted in prices declining by about 8% in 1973, compared with 1972.

According to present indications the downward trend in auction prices will continue during 1974. This conclusion is based on current international monetary problems, higher interest rates and the possibility that sterling will weaken further against the rand.

Publicity

The Board is continuing its existing publicity work, which has to date been aimed chiefly at the Western European market. To develop new markets, an advertising campaign was launched in Japan early in 1973 and this has progressed well during the year.

INDUSTRIAL MILK

Production

As a result of the exceptionally favourable weather conditions during the summer months the production of industrial milk this year was much higher than in the corresponding period of the previous year. During the months October to December 1973 the production of cheese rose by 10,8%, the production of milk powder by 14,6% and the production of condensed milk by 4,5%. The production of butter was lower during the months October and November than in the previous year, but increased again in December 1973 and January 1974 to a far higher level than a year ago. This increase was caused largely by the diversion of fresh milk surpluses to factories which could only process these excess supplies to skim-milk powder and butter.

Despite the switch from cream to milk production, the production of butter during the past few months was at a higher level than last year but consumption is still dropping. A considerable butter surplus may therefore be expected.

The production statistics for the past three seasons, with estimates for 1973/74, are shown in the following table:

Product	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1973/74 1972/73
	Tons				%
Creamery					
butter	38 000	38 370	45 419	43 964	99
Factory					
cheese	22 250	20 898	19 248	17 680	106
Milk powder:					
Skimmed	—	13 364	13 312	11 670	—
Whole milk	—	9 349	7 603	7 423	—
Condensed milk	—	45 293	42 960	42 211	—

Imports

It is expected that sufficient Cheddar cheese will be produced during the present season, but that there will be a shortage of Gouda cheese. Arrangements have therefore already been made for the import of 600 tons of Gouda cheese from the Netherlands. A shortage of skim-milk powder will also be experienced and orders for the import of 3 000 tons have already been placed.

Consumption

Since yellow margarine appeared on the market butter consumption has dropped by 36% and the downward trend is continuing, despite the Dairy Board's efforts to retain the market. The consumption of cheese is still rising, though at a slower rate than before.

The consumption of butter and cheese during the past three seasons, with estimates for 1973/74, is given below:

	1973/ 74	1972/ 73	1971/ 72	1970/ 71	1972/73 1971/72
	Tons				%
Creamery					
butter	31 500	34 467	38 188	53 353	91
Factory					
cheese	26 600	24 902	23 312	21 963	107

Exports

Apart from consignments of butter to neighbouring states, the export of butter has virtually come to a standstill since the closing of the London market to non-members of the E.E.C. Efforts by the Dairy Board to find alternative markets were only partially successful and only small quantities of butter have therefore been exported thus far.

Prices

Apart from fluctuations in the premium paid to producers, all prices have remained unchanged from 1 March 1973. The premium of 4c per kg on butterfat was abolished from 1 December 1973, but the premium on industrial milk is still being maintained at a rate of 20c per 100 kg.

Producer prices and maximum retail prices are currently as follows:

Producer prices

Butterfat	— 113c per kg
Industrial milk	— 578c per 100 kg (3,5% fat)

Retail prices

Butter	— 100c per kg
Cheese: Cheddar	— 101c per kg
Gouda	— 102c per kg

FRESH MILK

Production

The average daily receipts of fresh milk in the various areas under the control of the Milk Board during the period July to December in each of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	61,2	67,2	60,4	91
Cape Peninsula	359,0	365,7	351,9	98
Pretoria	208,6	205,1	203,5	102
Western Transvaal	47,0	43,1	47,1	109
Witwatersrand	808,9	764,4	775,5	106

Production in the Bloemfontein area has shown a considerable decline in relative terms, since 1972, which may be ascribed, *inter alia*, to unfavourable weather conditions and a considerable feed shortage. The Cape Peninsula area is maintaining a relatively constant production pattern, while in the three remaining areas production has increased slightly as a result of more favourable weather conditions and fresh milk prices.

Consumption

The average quantities of fresh milk consumed daily during the last six months of each of the past three years are shown below:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	1 000 litres			%
Bloemfontein	42,4	41,0	40,2	103
Cape Peninsula	296,7	280,3	270,7	106
Pretoria	180,5	175,3	162,4	103
Western Transvaal	37,4	36,7	35,6	102
Witwatersrand	683,6	668,9	651,7	102

Surplus

In consequence of the fairly big increase in production and the slight rise in consumption in the Witwatersrand and Western Transvaal areas surplus stocks in these areas have increased.

Details of the average daily surplus in each area during the last six months of the past three years, shown as a percentage of production, are reflected in the table below:

Area	July to December		
	1973	1972	1971
	Surplus as % of production		
Bloemfontein	30,68	39,05	33,41
Cape Peninsula	17,35	23,34	23,09
Pretoria	14,51	14,75	20,46
Western Transvaal	20,33	14,88	24,30
Witwatersrand	15,48	12,50	15,97

Prices

The average producer prices for fresh milk delivered during the last half of the past three years were as follows:

Area	July to December			<u>1973</u>
	1973	1972	1971	<u>1972</u>
	c per litre			%
Bloemfontein	6,61	6,56	6,80	101
Cape Peninsula	8,57	7,18	7,29	119
Pretoria	9,00	7,52	7,48	120
Western Transvaal	8,37	7,13	6,94	117
Witwatersrand	8,83	7,49	7,45	118

The general price increases which came into effect in February 1973, with the exclusion of the Bloemfontein area, resulted in a considerable rise in the average producer price, compared with 1972. In the Bloemfontein area the fixed producer price was only increased in June 1973 by 1,0c per litre. As the above data indicate, the average producer price in the latter area is considerably lower than the average prices in other areas.

EGGS

Production

The production in controlled areas during the first six months of the 1973/74 season (July to December) totalled 2 123 500 cases of 30 dozen each. This represents a rise of 24% over the figure for the corresponding period of the previous season. The percentage increases for the corresponding period during the past few seasons were the following:

Season (July to December)	Percentage increase in production compared with previous season	Local marketing
1971	7%	
1972	8%	
1973	24%	

Consumption in the controlled areas increased by 186 364 cases from July to December 1973, which represents a rise of 12,6%. The comparative figures for the preceding seasons are:

Season (July to December)	% increase in consumption compared with the previous season
1971	17,7
1972	7,3
1973	12,6

The various production regions largely retained their relative importance during the period July to December 1973, with the Transvaal, the Western Cape and Natal (the chief production regions) being responsible, respectively, for 37,7%, 30,7% and 17,7% of the production, as against 34,2%, 31,8% and 19,1% during the corresponding period of the previous season. The figures for the Free State and the Eastern Cape were 6,2% and 7,9%, respectively, compared with 5,9% and 9,0% for the previous season.

Permit allocations to the various production regions for the production of table eggs were as follows at the end of November 1973, in comparison with the corresponding period of the previous year:

Production region	Permit allocations	Actual hen numbers	% utilisation of permits
Transvaal	3 273 100	2 479 500	75,8%
Western Cape	2 527 900	1 850 235	73,2%
Natal	1 550 600	1 191 824	76,9%
Eastern Cape	768 288	582 566	75,8%
O.F.S.	478 900	377 286	78,8%
Republic – November 1972	7 520 043	5 479 649	72,9%
Republic – November 1973	8 598 788	6 481 411	75,4%

As can be seen from the above data, hen numbers increased by 18,2% up to the end of November 1973. It therefore appears that permit-holders are making fuller use of the increases granted.

Better utilisation of permits, which varied from roughly 74,7% to 79,3% during the period July to December 1973, coupled with an increase in production, is anticipated for the rest of the 1973/74 season.

It is expected that consumption in 1973/74 will maintain its steady increase at more or less the same rate as during the past few years. A bigger surplus is nevertheless predicted for the 1973/74 season, in view of the increase in production. This will entail a greater dependence on exports.

Exports

From July to December 1973 88 503 cases, (of 30 dozen each), of eggs in the shell 2 089 479 kg of whole egg pulp, 862 789 kg of salted egg yolk pulp, 1 098 870 kg of frozen albumen and 15 000 kg of albumen powder were exported. During the corresponding period of the previous season 66 957 cases of eggs in the shell, 1 158 240 kg of whole egg pulp, 194 505 kg of salted egg yolk pulp and 154 530 kg of frozen albumen were exported, while no albumen powder was exported. These figures reflect a big increase in sales of separated egg products, particularly salted egg yolk pulp, at the expense of whole egg pulp. This is a trend which should continue during the rest of the 1973/74 season.

The overseas demand for eggs in the shell, which was good during the second half of 1973, nevertheless remains limited and unstable. Owing to the distance of the Republic from its markets, it is usually impossible to make use of transitory marketing conditions. As regards the E.E.C. countries, matters are further complicated by the fact that the Board is obliged to sell eggs at fixed minimum prices and to comply with all the additional requirements.

Local prices

As from 29 November 1973, the minimum prices for eggs to be paid by packers to producers were fixed at 35,50c per kilogram in the Western Cape and East London areas and 35,75c per kg in the other areas.

This entailed a decrease of 0,50c per kg in the Western Cape and East London areas and 1,25c per kg in the other areas, compared with the prices which came into effect on 11 June 1973. This decrease in the floor price followed the sharp increase in production and resulting larger surpluses and heavy financial losses on exports.

Export prices

Foreign sales of eggs in the shell have been favourable recently and fairly good prices were obtained compared with previous seasons. Better prices are also being obtained at present for egg products. This increase in prices may be ascribed chiefly to the present marked downturn in egg production in almost all the overseas countries. It is not expected that the improved overseas prices will be maintained for long, however, since these will certainly stimulate production.

Despite the present favourable overseas prices losses on the Board's exports remain high. This is due to the considerable increase in the Board's purchases of surplus eggs during the present season, which resulted in larger quantities of eggs products having to be exported in order to dispose of the surpluses. The larger quantities which had to be exported and increases in shipping rates and packing and handling costs will result in a considerable rise in total export losses, compared with the corresponding period during the previous season.

OSTRICH PRODUCTS

Sales

At the eleven auction sales during 1973, 111 296 kg of ostrich feathers were sold for R2 464 704, as against 89 704 kg which realised R1 507 102 for the previous year. The average price per kg of feathers was R22,16 this year, while an average of R16,80 was obtained last year. This increase may be attributed chiefly to the good demand for both body feathers and wing feathers. Chick feathers also showed an improvement and the demand at present is good.

The prevailing average prices per kg of feathers are as follows:

Male:	
Whites	R53,34
Long bodies	R15,19
Short bodies	R29,35
Tails	R15,22
Female:	
Whites	R23,07
Long bodies	R12,52
Short bodies	R28,39
Tails	R15,66
Chicks:	
Chick spads	R 1,94
Chick bodies	R11,11
Chick floss	R12,64

General

The upsurge which the industry has experienced during recent years is continuing. The recent favourable prices of slaughter ostriches will probably lead to an increase in ostrich numbers, which may in turn cause marketing problems, particularly in respect of feathers.

BEEF: INTERNATIONAL SUPPLY AND DEMAND

by

J.G. VAN DRIEL

Division of Agricultural Production Economics

INTRODUCTION

The relation between beef supply and demand is an important question in most countries of the world, including South Africa, as is evidenced by the increases in beef prices during the past few years and the efforts to boost domestic production.

A fast-growing world population, increasing prosperity, growing purchasing power and the role of beef in the diet of the world population are fundamental factors in determining the international importance of beef. It may be said of most of the developed countries of the West, where the population growth is very small, that Malthus's theory can be applied to beef, if the concept of prosperity is substituted for the concept of population growth. In these countries prosperity is the factor which has led to rising *per capita* consumption, and so to an ever greater demand for beef. Artificial meat, which is going to play an increasingly important part in future, has been left out of these calculations.

This article explores the situation in the major beef-importing and exporting countries, and discusses the implications for world trade.

ARGENTINA

In the sixties about a quarter, and in 1971, 18 per cent, of the world's beef exports came from Argentina¹. The international beef supply is therefore significantly affected by the size of Argentina's exports. Which are determined on the one hand by total production and on the other by domestic consumption in Argentina itself.

Beef production in Argentina is showing a rising trend with a distinct cattle cycle². The increasing domestic

demand, together with a decline in production, leads to sharply rising prices and this situation in turn stimulates increased production. The increasing demand, both domestic and international, is the cause of the rising trend in Argentinian beef production (from 1,4 million tons in 1931-35 to 2,5 million tons in 1966-70)³.

The quality of breeding stock is generally high⁴. Because Argentinian farmers concentrate mainly on beef cattle the beef there is of a very uniform quality. In most other countries the main reason for quality differences is that the meat comes from dairy cattle or dual-purpose cattle (more or less as a by-product).

The *per capita* consumption of beef in Argentina is the highest in the world (80 kg and more *per annum* as against about 22 kg in South Africa)⁵. The domestic demand is so great (three-quarters of the total production) that it provides keen competition for the export trade. As soon as the declining phase of production starts, the authorities have to restrict domestic consumption in order to ensure continuity of exports. The value of beef exports represents about 12%⁶ of the value of Argentina's total exports and consequently meat is a very important earner of foreign exchange. The high domestic demand is one of the basic problems of the Argentinian beef export trade.

Foot-and-mouth disease is a serious problem to Argentinian cattle farmers, not only because of the consequent stock losses, but also because of the loss of export markets. In 1967-68 the United Kingdom temporarily prohibited all imports from Argentina on account of

1. Anon. International trade in red meat. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, FLM 4-73, March 1973, Washington.
2. Van Driel, J.G. Die produksie, verbruik en internasionale handel in beesvleis. M.Sc. (Agric.) thesis, University of Pretoria, May 1973, p. 31.

3. *Ibid.*

4. Smith, J.N. Argentine agriculture: trends in production and world competition. U.S. Department of Agriculture, Economic Research Service, E.R.S.-Foreign 216, Washington, July 1968, p. 17.

5. Anon. World per capita meat consumption. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, F.L.M. 4-64 (Oct. 1964) and F.L.M. 2-73 (Feb. 1973), Washington.

6. Smith, J.N., *op. cit.*, p. 109.

count of this disease, whereas about a third of Argentina's beef had been exported to Britain in 1966⁷.

The annual loss of beef cattle through foot-and-mouth disease and contagious abortion is probably about 20 per cent in Argentina. If the quality of herd management, especially in respect of disease control and better nutrition, can be improved, it is expected that it will be possible to raise the calving percentage in that country from 60 per cent to about 90 per cent⁸.

Argentina still has a very great potential for beef production. Writing on the subject, Wuhrman said: "Establishment of improved grasses along with subdivision of pastures by the more progressive ranchers, shows that Argentina has the potential for a *many-fold* increase in beef production"⁹. It appears, however, that the Argentinian authorities are having difficulty in realising this great potential to the fullest extent¹⁰. It is by no means impossible that the E.E.C. will in future give Argentina technical assistance in developing this potential¹¹.

Most of Argentina's beef exports go to the E.E.C. On 1 January 1972 a trade agreement between the two parties (valid for three years) on beef came into force¹². In terms of this agreement a lower import levy than normal will apply to imports of frozen and chilled beef from Argentina. In return Argentina is to guarantee sufficient and regular exports to the E.E.C. This agreement affects about 60 per cent of the total exports to the E.E.C. from Argentina, which shows that the authorities of the E.E.C. regard Argentina as an important beef supplier, both present and future. This gives Argentina an important advantage over other big exporters of beef like Australia and New Zealand. Argentina will probably remain a major exporter of beef in future, despite the fact that the degree of utilisation of the production potential and the exceptionally high local consumption are restricting beef exports.

7. Van Driel, J.G., *op. cit.*, p. 35.

8. Morgan, Q.M. Argentina's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-188, Washington, June 1967, p. 4.

9. Wuhrman, R.H. World beef trends. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-173, Washington, June 1966, p. 17.

10. Harper, R.G. E.C.-Argentine agreement suggests future E.C. ties with Latin America. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 17, Washington, 24 April 1972, pp. 15-16.

11. *Ibid.*

12. *Ibid.*

AUSTRALIA

In 1971 Australia was the world's biggest exporter of beef; 18.8 per cent of the beef in the world trade came from this country¹³. There is a strong possibility that Australia may also be the biggest exporter in future. Unlike Argentina, Australia does not have to restrict the domestic supply. The *per capita* consumption of beef is declining in Australia; this is clearly related to the rising trend in retail prices and in beef exported by this country¹⁴. The rise in the *per capita* consumption of mutton and pork is largely compensating for the decline mentioned above.

A considerable amount of the beef production in Australia comes from dairy cattle. Since the early fifties¹⁵ beef cattle numbers have been increasing rapidly in relation to dairy cattle numbers. In 1971 Australia's beef herd increased by 10 per cent and in 1972 it increased by 14.8 per cent to 28 million. The Chairman of the Australian Meat Board expects a beef herd of about 46 million in 1976 and possibly a herd of 50 million by 1980¹⁶.

Up to a few years ago intensive fattening of cattle in Australia was not an attractive proposition from an economic point of view. Japanese investment in this industry, with the object of producing beef for export to Japan, and changes in price ratios are altering this picture. However problems such as the following are hampering the growth of the fattened cattle industry:

- Periodic droughts and consequent periodic peaks in grain prices, which constitute a fundamental restriction.
- Lack of uniformity in the overseas demand. The degree of finishing required in Japan is not acceptable on many export markets.
- Doubts about the size of the domestic demand for meat from cattle from feedlots commodity unknown to the Australian consumer.

Australia is free of foot-and-mouth disease, and is therefore able to export beef to the U.S.A., which enforces strict import control in respect of this disease. Exports to this market consist mainly of meat for processing. It is estimated that by 1980 20 per cent of all meat for processing in the U.S.A. will consist of artifi-

13. International trade in red meat, 1961-71, *op. cit.*

14. Anon. The beef situation. Bureau of Agricultural Economics, Canberra, No. 15, p. 9.

15. The beef situation, *op. cit.*, p. 27.

16. Anon. World meat demand places Australia in stronger position. Meat, Vol. 2, No. 7, Johannesburg, August 1973, p. 45.

cial meat¹⁷. This projection is undoubtedly helping to boost the efforts of the Australian Meat Board to diversify exports among various markets. Since good prices are obtained in the U.S.A., this is no easy task.

The question arises whether in future increasing quantities of meat in the form of cuts from cattle raised in feedlots will not replace the meat now exported to the U.S.A. for processing.

Whether this happens or not will depend, on the one hand, on the part artificial meat is going to play and, on the other, on the differences in price for meat from cattle from feedlots in Australia and elsewhere.

Since beef exports from Argentina and Brazil will probably go mainly to the E.E.C. in future, it seems probable that Australia's exports will continue to go chiefly to the U.S.A. Should supplies from Argentina and Brazil fall far short of the fast-growing demand for beef in the E.E.C., as was the case in 1973, considerable quantities of Australian beef would go to this market if prices compared favourably.

NEW ZEALAND

At present New Zealand is the world's third biggest exporter of beef and it supplies about a tenth of the beef in the international trade. About 60 per cent of the quantity produced is exported¹⁸. Consequently local prices are strongly influenced by prices on export markets. The beef price structure in New Zealand corresponds in this respect to the structure in Australia.

There are very few farms in New Zealand where cattle-farming is the sole enterprise. Since sheep-farming is more profitable than cattle-raising, sheep are run in preference to cattle¹⁹. However, many sheep farmers keep cattle in order to make better use of their pastures. Climatic stability is the chief reason why beef production does not follow the typical cattle cycle.

Most beef comes from dairy cattle or dairy cattle crossed with beef cattle. Because many calves from the dairy herd (60 per cent of the total herd) are slaughtered at an early age, the number of calves expressed as a percentage of total cattle slaughterings is higher than in Australia. The figure is about 45 per cent in New Zealand as against about 20 per cent in Australia.

There will therefore be considerable potential for beef production if beef-breed bulls are used to serve dairy cows from dairy herds. The authorities are encouraging the exploitation of this potential by means of subsidies²⁰.

New Zealand is also free of foot-and-mouth disease. The U.S.A. and Canada together take about three-quarters of New Zealand's beef exports. In 1971 New Zealand, Australia and nine other countries concluded a bilateral agreement with the U.S.A. to restrict their beef exports to that country voluntarily²¹. Since January 1965 the U.S.A. has fixed an import quota annually, and this automatically comes into operation when a certain volume of beef imports is exceeded. It is, however, to the advantage of those countries that export meat to the U.S.A. to restrict their exports voluntarily. New Zealand's future trading patterns with regard to beef will probably be similar to those of Australia.

BRAZIL

During the past few years Brazil's importance as a beef-exporting country has increased considerably. In 1971 her contribution to the world export trade was 3 per cent. Exports rose from about 18 000 tons in 1967 to about 169 000 tons in 1972²². Nevertheless exports constitute less than a tenth of Brazil's total beef production.

One of Brazil's chief problems in exporting beef is the low *per capita* income of the population. The authorities want to give the Brazilian consumer preference over the overseas consumer with regard to the supply of meat. Because the domestic beef price has to be considerably lower than the price on export markets, exports have to be drastically restricted. The system is not an adequate incentive to increased and more efficient production.

On the other hand, there are ambitious and well-founded schemes for the long-term development of the beef industry in Brazil. In the Amazon region especially, there are still large, open areas that could be used for beef production. Brazil's cattle herd is the third largest in the world, and is exceeded only by the herds of the U.S.A. and Russia. This means that considerable increases in cattle numbers are possible within a relatively short period. Furthermore, production efficiency is low. The authorities are providing fi-

17. Meat, *op. cit.*, Vol. 2, No. 3, April 1973, p. 42.

18. Anon. Annual report for the year ended 30 September 1971. New Zealand Meat Producers Board, Wellington, p. 27.

19. Morgan, Q.M. New Zealand's livestock and meat industry. U.S. Department of Agriculture, Foreign Agricultural Service, F.A.S.-M-184 Rev., Washington, October 1970, p. 8.

20. *Ibid.*, p. 9.

21. New Zealand Meat Producers Board, *op. cit.*, p. 59.

22. Rabinowitz, H. Brazil curtails 1973 beef exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 13, Washington, 26 March 1973, p. 4.

nancial and technical aid in this connection. At present cattle reach a marketable mass at the age of four years. It is expected that within two or three years improvements in management, particularly with regard to feeding and breeding, will make it possible for cattle to reach the marketable mass by the age of three years²³.

Brazil's beef production will therefore undoubtedly increase considerably within the next few years. According to projections, 855 000 tons of beef will be available for export by the year 1980²⁴. How much of this will reach international markets (chiefly in Europe) depends, however, on the measures taken by the authorities.

URUGUAY

Uruguay supplies about 5 per cent of the beef in the international trade. Although the fertility of the soil is high in the main, it is not fully exploited for various reasons. One reason is the export tax policy, which discourages investment in beef production²⁵.

In Uruguay, too, the high *per capita* consumption of beef limits beef export. During 1972, especially, the authorities imposed strict limitations with regard to the local consumption of beef²⁶. This forced domestic consumption down and made it possible to export larger quantities, chiefly to Europe.

It appears that, owing to production and consumption problems, Uruguay's position on the world beef market is unlikely to improve.

THE EUROPEAN ECONOMIC COMMUNITY

Almost half the beef in the world trade reaches the nine member countries of the E.E.C.²⁷. Only a relatively small portion of this beef comes from countries outside the E.E.C. Trade between the E.E.C. countries consists mostly of what may be called quality exchanges²⁸. This means that, for instance, forequarters from France may be marketed in Germany and hindquarters from Germany in France.

The structure of the European beef trade is described as follows: "...a traditional consumer preference for veal..., a long history of producing beef as a sideline to the dairy industry, and an uneconomic and inefficient slaughter and marketing system"²⁹. Specialised intensive beef production is still in its infancy here³⁰, but conditions for expansion are becoming increasingly favourable.

A switch to the breeding of pure beef cattle is necessary because in the existing farming structure an increase in beef production through an increase in the number of dual-purpose cattle would result in surplus milk production. A switch of this kind will require major structural adjustments in the traditional farming pattern of European agriculture. Beef farming will have to be conducted on an intensive basis owing to high land prices. As a result of increasingly favourable price ratios, the development of feedlots is already under way. In Denmark, for instance, the price ratio of 3:3 between slaughter cattle and feed grains in the fifties changed to 6:1 in March 1973³¹.

As a rule it pays a European farmer to slaughter a dairy calf rather than to fatten it. This is a big obstacle in the way of increased beef production. Veal is rated highly in Europe because it is virtually the only source of young, tender beef of high quality; it follows that this commodity is therefore expensive. Stenswick writes as follows on calf slaughter in the E.E.C.: "In 1971, calf slaughter as a percentage of total slaughter was 36 per cent in the E.E.C. compared with 7 per cent in the United Kingdom and 8 per cent in the United States. Stated another way, if the percentage of calves being slaughtered in the E.E.C. were lowered to the rate prevailing in the United States, beef production would jump by an estimated 24 per cent of 1971 E.E.C. beef and veal production. However, such a decline in the E.E.C. calf slaughter rate is not expected"³².

23. *Ibid.*

24. *Ibid.*

25. Anon. A survey of agriculture in Uruguay. U.S. Department of Agriculture, E.R.S.-Foreign 299, Washington, April 1970, p. 34.

26. Anon. Beef use ban helps Uruguay to boost meat exports. Foreign Agriculture, Foreign Agricultural Service, U.S. Department of Agriculture, Vol. XI, No. 21, Washington, 21 May 1973, p. 6.

27. International trade in red meat, *op. cit.*

28. Origer, J. Meat marketing in the E.E.C. Beef processing and marketing, D.E. Hood, (Ed.), Irish Livestock and Meat Commission, Dublin, December 1971, p. 65.

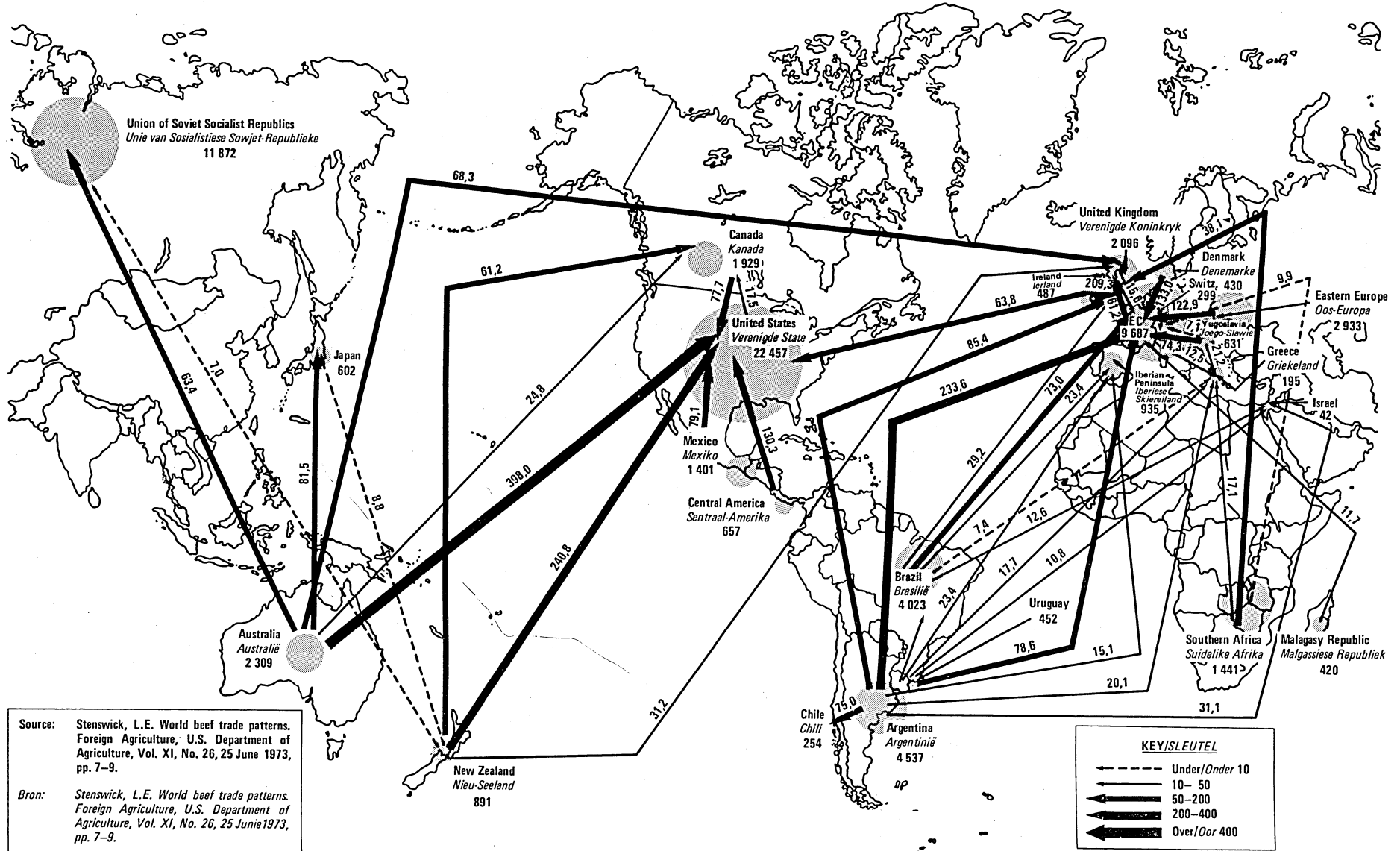
29. Anon. Prospects of increased beef production in Western Europe. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. VIII, No. 31, Washington, 3 August 1970, p. 2.

30. Anon. Beef production in Europe: status and potential. Foreign Agriculture Circular, U.S. Department of Agriculture, Foreign Agricultural Service, Livestock and Meat, F.L.M. 1-70, Washington, May 1970, p. 3.

31. Dirks, H.J. Denmark moves to up quality of growing beef industry. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 43, Washington, 22 October 1973, p. 6.

32. Stenswick, L.E. World's farmers compete for calves. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. X, No. 21, Washington, 22 May 1972, pp. 2-4.

WORLD TRADE IN FRESH, CHILLED AND FROZEN BEEF AND VEAL — 1971 (IN MILLIONS OF POUNDS)
 Wêreldhandel in vars, verkoelde en bevrore bees- en kalfsvleis — 1971 (in miljoene ponde)



Since August 1968 there has been a common market for beef and veal in the E.E.C. Basically this market operates by controlling the quantities of beef imported by means of a variable levy system. This is done in such a way that the market prices approach the guide price. The guide price is merely a criterion for judging the market price and is determined every year in such a way as to give producers a reasonable income. If the market price is higher than the guide price the levies are reduced so as to increase imports and are raised if the reverse applies. Imports are also subject to a fixed import duty of 16 per cent in the case of cattle on the hoof and 20 per cent in the case of beef and veal.

Ireland, Denmark, France and the Netherlands are net exporters of beef, and the United Kingdom, Italy, West Germany, Belgium and Luxemburg are net importers. Exports from Ireland and Denmark to other member countries will probably increase in future owing to the considerable rises in the price of beef in those countries following their entry into the E.E.C. In Denmark beef prices rose by 100 per cent from April 1972 to September 1973³³. The increase in the demand for beef in France and the Netherlands has exceeded the increase in the supply.³⁴ Net exports from these two countries will therefore probably decrease.

In the United Kingdom wholesale beef prices rose by 44 per cent from January 1972 to January 1973³⁵. The result has been to encourage production and discourage consumption. Through its entry into the E.E.C. and the consequent rises in the price of beef the United Kingdom is becoming less dependent on beef imports. Before its entry into E.E.C. this country depended on imports for about a third of the beef consumed.

Although projections on future production and consumption in the E.E.C. often differ considerably, they all agree that production will be outstripped to an increasing extent by the rapidly rising demand. The F.A.O. expects a beef shortage of a million tons in Western Europe by 1980³⁶.

The chief suppliers of imported beef for the E.E.C. are Argentina, Brazil and Uruguay. When a serious beef shortage arises in the E.E.C., as in 1972, levies on imports are reduced and beef reaches the E.E.C. from overseas, particularly from Oceania.

THE U.S.A.

The U.S.A. is the biggest producer of meat in the world. This country's production is twice that of Russia and almost twice that of the E.E.C. Over the past 20 years beef production in the U.S.A. has increased dramatically, largely as a result of the introduction of feedlots.

During the past two decades the grain price level in the U.S.A. has, relative to beef prices, been such that it has been possible to use grain on a large scale for fattening cattle, whereas this has not been possible in most other countries in the world. Under this system virtually all calves not used for breeding purposes are fattened. However, an increase in the scale of production is only possible if the breeding herds are expanded, since the other practices, such as feeding to heavier masses and reduced calf slaughter, are already being employed as far as possible. This rules out any sudden large increase in production.

Increased purchasing power is an important cause of the increasing *per capita* consumption of beef in the U.S.A.³⁷, notwithstanding rising retail prices. The importance of this factor is underlined by the fact that the *per capita* consumption in Australia is dropping as a result of rising retail prices, which are strongly influenced by exports of large quantities of beef to the U.S.A.

Large-scale imports up to 1963 caused producer prices paid to American cattle farmers to drop to a dangerously low level, and this led to quota legislation³⁸, in terms of which a maximum is fixed for imports annually. If this maximum is exceeded by 10 per cent the quota system comes into operation. The countries which export beef to the U.S.A. have also voluntarily restricted their exports, since this is to their advantage.

Such is the scale of domestic production and consumption in the U.S.A. that imports make up only a relatively small part of the total consumption. This means that relatively small changes in the domestic production and consumption can lead to big changes in imports. About a third of the beef disposed of on the world market goes to the U.S.A. Trends in the produc-

33. Dirks, J.H., *op. cit.*,

34. World meat demand places Australia in stronger position, *op. cit.*,

35. Early, K.S. European beef shortage spurs British price rise. Foreign Agriculture, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. XI, No. 15, Washington, 9 April 1973, p. 3.

36. Anon. Million ton beef deficit. Meat Vol. 2, No. 7, Johannesburg, August 1973, p. 44.

37. Seaborg, D. The next ten years. Livestock and Meat Situation, U.S. Department of Agriculture, Economic Research Service, L.M.S. 173, Washington, May 1970, pp. 32-35.

38. Anon. Meat, a review of production, trade, consumption and prices relating to beef and veal, mutton and lamb, pig-meat, poultry-meat, offals, canned meat. Commonwealth Secretariat, No. 18, London, 1969, p. 119.

tion and consumption of beef in the U.S.A. are therefore a major influence on the world trade in beef.

Australia and New Zealand are the chief exporters of beef to the U.S.A. The Latin-American countries are the chief suppliers of canned beef. Foot-and-mouth disease occurs in South America and the U.S.A. enforces very strict import regulations to guard against this disease. Consequently only properly cooked or canned meat can be imported from those countries.

Beef production in the U.S.A. up to 1980 is not expected to maintain the rate of increase of the past two decades because production potential has already been thoroughly exploited. Moreover, it appears that the demand will also increase rather more slowly than in the past³⁹. It therefore seems that the U.S.A. will remain a major importer of beef at least up to 1980⁴⁰.

THE WORLD TRADE

The accompanying map shows that the beef in the international trade moves chiefly from the Southern to the Northern Hemisphere. The E.E.C. and the U.S.A. are the biggest importers, and Oceania and the three Latin-American countries are the biggest exporters.

Australia has not exported large quantities of beef to the U.S.S.R. since 1971. Exports to Japan have increased considerably, particularly since the development of feedlots in Australia with Japanese capital. Ireland's entry into the E.E.C. in 1973 has caused exports to the U.S.A. since 1971 to drop considerably. As the figure shows, only a small portion of exports from Southern Africa come from South Africa. South Africa is a net importer of beef.

An increasing world shortage of beef is generally expected. Some estimates⁴¹ even predict a shortage of 2 million tons by 1980. The shortage in Western Eu-

rope would then be half of this, i.e. one million tons. This gives rise to the question of the part artificial meat will play in future.

ARTIFICIAL MEAT

Artificial meat has unique properties which give it important advantages over natural meat, e.g.:

- Lower price; artificial minced meat for hamburgers in the U.S.A. costs R0,84 per kg as against R1,36 for ordinary minced meat⁴².
- Far faster production, particularly when bacteria, moulds, yeasts or algae are used.
- It is better adapted to the needs of the consumer (fat content, cholesterol content, amount of offal, etc.)
- Less liable to spoil; therefore cheaper and easier to handle and store.

The technology concerned with the flavour, taste and chewability of artificial meat for processing (which is manufactured chiefly from vegetable substances) is making considerable progress⁴³. It is expected that by 1980 20 per cent of all meat for processing in the U.S.A. (about 100 000 tons) will consist of artificial meat⁴⁴. However, the manufacture of meat cuts, which are made chiefly from inorganic substances, still presents many problems.

Since the future of this type of artificial meat depends on the development of technology, no predictions can be made. If the difficulties could be overcome, artificial meat could cause a revolution in the meat industry. At present artificial meat seems likely to play a complementary rather than a competitive part. However, the ever-increasing world shortage of beef is an incentive to research on the development of artificial meat.

39. Seaborg, D., *op. cit.*

40. World meat demand places Australia in stronger position, *op. cit.*

41. *Ibid.*

42. Huges, D. New protein foods and the future demand for meat. *Farm Management*, Vol. 2, No. 5, Warwickshire, England, 1973, pp. 245-253.

43. *Ibid.*

44. Baker, A. J., and W.W. Gallimore. Substitute and synthetic foods with emphasis on soy protein. *Marketing and Transport Situation*, February 1972.

TABLE 1 - Consumer price indexes¹⁾*Statistics*

Year or month	All items	Food	All items excluding food	Some important items					
				Grain pro- ducts	Meat	Milk, milk pro- ducts and eggs	Vege- tables	Fruit	Sugar and allied products
	April 1970 = 100								
1959	75,4	75,8	75,3	-	-	-	-	-	-
1960	76,4	77,0	76,2	-	-	-	-	-	-
1961	77,9	78,6	77,6	90,8	72,3	87,8	68,0	70,3	71,3
1962	79,1	78,2	79,4	91,6	72,5	84,4	64,6	73,6	75,7
1963	80,0	79,0	80,4	91,9	74,4	85,6	64,3	74,5	76,5
1964	82,0	82,6	81,8	92,8	78,5	89,4	76,7	76,2	76,3
1965	85,0	87,5	84,0	93,1	87,9	95,4	77,6	84,1	76,1
1966	88,1	90,7	87,0	92,6	90,3	99,2	83,9	89,0	81,5
1967	91,0	93,9	89,8	95,0	94,8	101,5	84,4	86,3	93,8
1968	92,6	95,4	91,5	95,9	98,3	100,7	82,7	89,2	97,9
1969	95,3	96,9	94,8	99,4	99,9	99,6	85,6	91,7	99,0
1970	100,3	101,2	100,0	100,3	101,2	100,4	103,4	105,0	100,2
1971	106,4	106,1	106,5	107,7	108,0	108,5	99,5	103,3	102,0
1972	113,3	113,6	113,2	110,0	118,3	118,8	123,2	108,4	101,7
1973	124,1	131,0	121,8	125,8	148,8	122,4	146,0	129,5	103,6
1972:									
January	109,6	109,7	109,6	109,5	112,7	114,0	100,3	105,5	102,4
February	110,0	109,6	110,1	109,3	113,2	113,4	101,4	102,8	102,5
March	110,5	109,3	110,9	109,4	112,9	113,3	98,9	102,3	101,7
April	1110,0	110,2	111,3	109,3	114,6	113,6	101,4	101,2	101,6
May	111,8	111,7	111,8	109,3	114,5	114,3	114,8	103,1	101,8
June	112,2	111,5	112,4	109,3	115,4	111,0	117,2	101,6	101,8
July	113,2	113,5	113,2	109,7	117,2	110,0	130,0	106,3	102,0
August	114,4	115,3	114,1	110,1	119,4	110,4	139,6	108,0	102,0
September	115,8	117,3	115,4	110,2	120,4	110,1	154,5	111,6	102,0
October	116,6	119,0	115,8	110,8	121,1	110,2	163,9	119,3	100,7
November	116,6	117,2	116,4	111,5	125,1	110,5	133,0	117,4	100,6
December	117,4	118,9	116,9	112,0	132,6	110,9	122,9	121,8	100,7
1973:									
January	118,7	122,1	117,7	112,8	138,7	111,3	136,5	120,4	101,4
February	119,8	125,0	118,1	115,1	140,4	112,0	154,3	121,7	102,3
March	121,4	128,4	119,1	124,3	145,5	120,5	144,6	120,3	102,6
April	122,3	129,2	120,1	124,6	145,4	123,1	150,0	116,2	103,0
May	122,9	129,5	120,8	125,0	146,6	124,0	143,9	119,3	103,3
June	123,4	129,9	121,3	125,2	147,5	124,7	140,4	122,0	103,6
July	124,3	130,3	122,3	126,0	147,8	125,2	136,5	124,6	104,2
August	125,0	130,9	123,1	126,7	148,6	125,5	133,1	133,4	104,1
September	126,1	133,0	123,9	128,9	151,3	125,4	144,9	131,6	104,0
October	127,4	136,8	124,3	130,4	152,8	125,8	164,1	149,0	104,7
November	128,5	137,7	125,4	133,5	158,5	125,8	152,9	147,7	104,8
December	129,1	139,2	125,8	137,1	162,6	125,8	150,3	147,9	105,1
1974:									
January	129,3	138,5	126,3	139,9	166,3	126,1	130,3	139,1	107,6
February	131,1	138,6	128,7	142,4	167,5	126,2	126,9	133,6	108,4

¹⁾ Department of Statistics

TABLE 2 - Indexes of wholesale prices¹⁾

Year or month	All commodities				Manufactured commodities, S.A. and imported for S.A. consumption			
	Total	South African goods	Imported goods	Food	Machine- ry, not electrical	Electri- city, gas and water	Textiles ⁴⁾	Metal pro- ducts
April 1970 = 100								
1961	82,7	81,8	85,0	81,5	-	-	90,1	-
1962	83,3	82,2	86,3	81,1	-	-	90,9	-
1963	84,4	83,2	87,8	82,4	-	-	92,9	-
1964	86,4	85,1	89,9	85,0	-	-	94,4	-
1965	89,0	88,1	91,6	87,9	-	-	96,7	-
1966	92,4	91,8	94,3	91,0	-	-	98,2	-
1967	94,7	94,2	95,9	96,0	-	-	98,1	-
1968	95,8	95,4	97,0	98,4	-	-	97,9	-
1969	98,0	97,9	98,4	99,9	-	-	99,2	-
1970	101,1	101,1	100,8	101,5	-	-	100,1	-
1971	105,8	105,9	105,4	106,4	108,6	99,4	102,5	107,8
1972	114,4	113,2	118,2	111,9	127,2	109,7	114,0	114,1
1973	129,5	128,7	132,0	131,7	140,0	119,1	132,4	127,5
<u>1972:</u>								
January	108,4	108,4	108,5	109,2	112,2	104,7	105,6	109,3
February	110,0	108,9	113,9	109,6	122,9	104,7	108,1	109,8
March	110,9	109,7	114,9	108,9	123,6	104,7	111,5	110,1
April	111,9	110,7	116,1	110,5	125,5	107,6	111,9	110,3
May	112,4	111,0	117,1	109,8	127,9	107,6	111,9	111,9
June	113,6	112,4	117,9	110,4	127,9	107,6	114,5	113,2
July	114,5	113,3	118,5	110,7	127,9	108,2	114,5	113,2
August	116,1	114,8	120,3	111,4	131,0	114,1	114,5	117,6
September	117,4	116,2	121,0	113,6	131,0	114,1	118,1	117,6
October	118,5	117,3	122,6	114,4	131,0	114,5	118,1	117,6
November	119,0	117,6	123,6	116,4	132,5	114,5	118,1	119,1
December	119,8	118,5	124,0	118,1	132,5	114,5	121,2	119,1
<u>1973:</u>								
January	121,2	120,1	124,9	119,0	132,5	114,3	121,2	119,1
February	122,5	121,3	126,4	120,2	135,8	116,0	121,2	120,3
March	124,9	124,2	126,9	130,3	135,8	116,0	128,5	120,3
April	125,6	124,9	127,8	130,7	135,8	116,1	128,5	120,6
May	127,0	126,3	129,1	129,5	138,1	116,0	128,5	124,7
June	128,6	128,0	130,5	131,4	139,5	116,0	131,7	129,1
July	129,7	129,1	131,9	131,5	139,5	116,0	131,7	129,1
August	132,0	131,1	134,8	133,0	143,6	123,0	131,7	131,5
September	133,4	132,7	135,7	135,4	143,6	123,0	139,3	131,5
October	134,6	134,1	136,5	137,3	143,6	124,3	139,5	131,6
November	136,1	135,3	138,8	139,8	145,9	124,3	139,6	135,9
December	137,8	137,1	140,1	142,5	145,9	124,3	147,9	135,9
<u>1974:</u>								
January	139,0	138,0	142,1	142,4	145,9	124,3	147,9	135,9
February	141,1	139,5	146,2	143,0	150,0	128,9	147,9	140,1

¹⁾ Department of Statistics

TABLE 3 - Price indexes of farming requisites

Year (July - June)	Machinery and im- plements	Material for fixed improve- ments	Short- term require- ments	All far- ming requisi- tes	Some important single items							
					Tractors	Implements	Spares	Fencing material	Fuel	Fertili- zers	Farm feeds	Packing materials
1958/59 - 1960/61 = 100												
1958/59	98,6	99,6	100,4	99,7	99,1	98,6	100,0	100,0	98,8	102,9	99,5	100,0
1959/60	100,1	99,3	100,3	100,1	99,9	100,0	99,9	100,0	101,1	100,4	99,6	100,0
1960/61	100,3	100,8	99,3	100,2	101,1	101,4	100,1	100,0	100,1	96,5	100,8	100,0
1961/62	102,9	102,3	99,9	101,1	102,1	102,2	101,7	100,0	98,9	96,5	101,1	106,5
1962/63	104,4	104,6	101,4	102,7	104,2	102,8	102,4	100,0	99,0	97,2	102,9	110,7
1963/64	106,7	105,9	101,5	103,6	106,5	104,1	105,1	100,0	98,4	98,9	103,4	109,2
1964/65	110,1	108,9	102,0	105,4	107,9	107,2	110,3	105,2	97,4	100,9	105,4	108,0
1965/66	112,3	112,7	103,2	107,2	108,9	111,0	110,8	112,4	97,4	100,2	107,2	113,8
1966/67	114,3	114,1	105,9	109,5	110,5	114,3	110,8	113,4	98,7	101,8	110,0	119,5
1967/68	116,9	115,6	104,8	109,9	113,9	115,9	113,1	114,4	99,2	101,1	108,7	115,6
1968/69	120,3	116,3	104,6	110,9	115,6	118,2	115,8	111,6	99,2	100,6	113,3	106,9
1969/70	124,9	119,4	106,0	113,4	119,1	121,3	120,1	112,5	99,2	100,3	119,0	105,4
1970/71	130,4	124,2	108,5	117,1	126,1	126,9	122,3	121,3	102,2	101,0	122,2	108,0
1971/72	140,4	127,9	116,1	125,1	139,0	133,3	129,3	125,6	111,0	104,8	126,8	123,9
1972/73	153,2	142,7	127,0	137,0	158,8	144,4	136,7	147,7	122,0	113,1	137,2	139,6
1970:												
January	125,8	120,0	105,6	113,5	120,2	122,1	120,3	112,5	99,2	100,3	117,8	104,7
April	126,1	120,3	106,1	114,0	120,6	122,6	120,0	112,5	99,2	100,3	118,9	108,0
July	127,4	121,6	107,3	115,2	123,2	123,4	119,8	112,5	99,2	100,3	122,2	108,0
October	128,9	125,4	107,4	116,2	123,3	126,5	120,6	125,5	99,2	100,3	122,2	108,0
1971:												
January	131,5	125,1	107,3	116,9	127,0	128,9	122,8	123,5	99,2	100,3	121,6	108,0
April	133,8	124,8	111,8	120,2	130,7	128,9	126,1	123,5	111,0	103,1	122,8	108,5
July	136,6	126,2	113,7	122,3	132,0	130,1	128,0	124,6	111,0	103,1	128,7	108,0
October	138,0	127,1	114,8	123,5	133,5	132,7	128,5	124,6	111,0	103,1	125,7	120,0
1972:												
January	141,6	127,1	116,9	125,8	139,1	133,9	130,3	123,1	111,0	103,1	126,1	132,5
April	145,4	131,1	119,0	128,6	151,2	136,6	130,3	129,9	111,1	109,8	126,5	135,0
July	149,2	136,9	123,9	133,3	155,0	139,2	135,1	142,2	118,2	109,8	135,4	135,3
October	151,7	140,4	124,5	134,8	159,5	142,6	134,2	148,3	118,2	109,8	134,1	140,7
1973:												
January	154,6	144,7	128,2	138,4	158,3	146,9	137,6	149,2	125,7	116,3	134,5	141,1
April	157,3	148,7	131,2	141,4	162,4	148,8	140,0	150,9	125,7	116,3	144,7	141,1
July	159,5	164,3	134,8	146,0	159,8	151,3	141,5	162,4	125,7	116,3	157,3	141,2
October	165,6	168,7	135,6	148,9	160,7	154,4	152,7	162,8	125,7	116,3	160,1	141,2
1974:												
January	171,1	178,6	148,1	158,9	161,1	157,7	162,4	179,4	156,3	129,0	160,3	144,6

Source: Division of Agricultural Marketing Research

TABLE 4 - Indexes of producer prices ¹⁾

Year (July - June)	Field pro- ducts	Horticul- tural products	Animal products	Total	Some important items						
					Summer cereals	Winter cereals	Fruit	Vegeta- bles	Wool and mohair	Stock slaugh- tered 6)	Dairy pro- ducts 7)
					2)	3)	4)	5)			
1958/59 - 1960/61 = 100											
1958/59	97,0	103,0	97,4	98,1	96,0	98,2	101,5	106,9	92,4	97,7	99,2
1959/60	100,5	93,6	102,4	100,2	100,0	99,8	95,2	88,9	109,3	101,0	100,7
1960/61	102,5	103,4	100,1	101,6	104,0	102,0	103,3	104,2	98,2	101,3	100,1
1961/62	101,1	105,9	98,9	100,9	100,5	103,4	104,3	108,1	105,3	98,3	96,3
1962/63	100,0	99,7	104,0	101,7	95,6	100,6	102,2	91,8	117,6	105,5	92,9
1963/64	104,6	104,4	111,1	107,4	98,0	102,4	101,3	103,4	135,2	111,6	96,7
1964/65	107,3	119,1	117,6	113,7	102,4	107,9	111,0	128,3	110,5	130,4	107,1
1965/66	110,7	120,2	122,0	117,2	109,8	108,4	108,8	135,4	116,7	131,1	119,1
1966/67	115,0	118,1	126,4	120,5	116,9	114,3	113,8	120,5	109,2	142,4	122,4
1967/68	111,2	108,6	130,5	119,3	111,2	119,0	102,0	108,7	106,9	154,1	120,7
1968/69	116,6	126,6	129,8	124,0	114,4	117,8	117,6	136,0	111,5	151,7	119,6
1969/70	120,5	121,9	125,9	123,1	118,9	117,9	118,9	116,4	100,3	148,4	119,0
1970/71	123,4	138,9	129,1	128,4	117,2	119,2	127,9	138,5	79,7	160,7	126,2
1971/72	122,0	134,2	139,4	131,6	119,9	117,6	126,4	117,6	87,0	172,6	135,9
1972/73	128,1	175,4	197,3	166,1	124,2	118,9	155,7	197,1	235,2	229,4	143,6
1972:											
January	123,1	128,2	137,9	130,4	122,5	117,6	129,5	105,5	82,5	170,5	135,6
February	123,2	133,8	139,7	132,2	122,5	117,6	133,6	105,9	94,9	170,2	137,9
March	122,9	135,7	141,7	133,2	122,2	117,6	134,0	110,6	96,7	173,6	136,1
April	122,7	138,1	147,6	136,1	122,1	117,6	133,9	117,8	96,6	185,7	136,5
May	119,9	145,6	148,4	136,6	113,6	117,6	130,0	144,8	108,3	181,9	137,3
June	120,2	150,0	145,9	136,3	113,6	117,6	130,7	156,4	88,2	184,1	137,9
July	119,4	164,9	150,2	140,2	113,7	117,6	132,6	196,2	88,2	194,9	136,1
August	120,4	166,7	152,2	141,8	113,8	117,6	130,1	204,9	88,2	200,9	136,4
September	118,7	184,0	167,8	150,8	113,8	117,6	132,2	251,3	145,5	207,7	136,2
October	120,7	177,5	181,9	156,7	114,3	118,9	133,7	230,7	192,9	218,5	136,7
November	123,9	168,1	186,0	158,3	114,5	118,9	159,4	166,2	171,4	237,4	135,8
December	123,4	162,1	187,3	157,7	114,4	118,9	157,7	151,5	189,9	231,9	136,4
1973:											
January	123,3	172,4	202,7	166,2	114,9	118,9	159,0	197,1	245,5	239,5	137,7
February	123,3	184,4	219,5	175,4	114,9	118,9	169,0	203,5	285,9	256,2	144,3
March	123,3	181,3	228,3	178,8	114,9	118,9	163,8	202,0	339,9	243,4	156,9
April	123,5	193,8	216,0	175,4	115,3	118,9	162,0	240,3	261,1	250,0	157,0
May	142,4	187,8	207,1	178,1	149,8	118,9	165,6	217,9	252,2	233,3	158,1
June	145,1	173,5	212,2	179,2	152,5	118,9	166,2	176,4	266,6	238,8	156,4
July	145,4	174,0	206,9	177,0	152,2	118,9	169,5	173,0	236,6	240,7	155,6
August	145,0	180,2	212,4	180,3	151,4	118,9	170,8	188,8	236,6	252,4	156,2
September	144,9	182,4	217,4	182,8	151,2	118,9	171,0	194,8	254,3	255,8	156,2
October	147,6	205,9	221,3	189,4	151,2	135,0	178,4	251,2	234,8	272,8	156,8
November	147,6	191,8	223,7	188,2	151,1	135,0	178,6	210,6	218,3	292,0	144,9
December	147,6	199,3	232,4	193,2	150,9	135,0	179,3	230,9	245,7	295,0	152,4
1974:											
January	147,6	172,1	230,1	187,8	150,9	135,0	177,0	156,5	227,5	296,3	155,5
February	147,6	160,4	227,2	184,7	150,9	135,0	170,6	132,5	217,8	291,8	159,6

1) Source: Division of Agricultural Marketing Research

2) Maize and grain sorghum

3) Wheat, oats, barley and rye

4) Citrus, deciduous and subtropical fruit

5) Potatoes, onions, sweet potatoes, tomatoes, green beans, carrots, gem squashes and cabbage

6) Cattle, sheep and pigs

7) Butterfat, cheese milk, condensing milk and fresh milk

TABLE 5 - Production, stocks and exports of agricultural products

Production and stocks	Unit	1972	1973	1972		1973	1973		1974
				November	December	January	November	December	January
<u>Livestock slaughtered at abattoirs</u>									
Cattle	Number	2 021 199	2 019 622	179 837	166 762	183 112	155 188	149 642	140 391
Calves	Number	171 780	135 527	13 677	10 858	14 293	10 052	8 178	8 857
Sheep and goats	Number	5 735 908	5 309 950	495 881	533 352	479 229	485 395	503 862	458 835
Pigs	Number	1 304 626	1 529 810	116 077	114 327	124 147	126 282	140 206	134 088
<u>Dairy and egg production</u>									
Creamery butter ¹⁾	Metric tons	45 419	38 370	4 093	3 443	3 876	3 366	3 920	3 904
Factory cheese ¹⁾	Metric tons	19 247	20 899	2 217	1 715	1 895	2 114	2 289	2 311
Condensed milk ¹⁾	1 000 kg	42 960	45 293	4 072	5 009	4 530	4 752	5 139	5 234
Eggs received ²⁾	30 doz.	2 218 184	2 251 724	196 510	165 481	225 784	263 197	214 529	333 113
<u>Stocks at the end of the month</u>									
Maize	Metric tons			5 714 448	5 171 337	4 367 164	2 567 280	2 251 630	1 744 155
Wheat	Metric tons			1 309 986	1 762 498	1 850 632	967 340	1 425 891	1 573 451
Cattle carcasses	Number			-	-	-	449	927	716
Creamery butter	Metric tons			6 123	5 492	5 332	7 189	8 300	9 577
Factory cheese	Metric tons			4 345	4 815	5 652	8 163	8 488	8 704
Exports		1966	1967	1968	1969	1970	1971	1972	1973
								Jan. - Sept.	Jan. - Sept.
					R1 000				
Total: S.A. products (excluding gold)	1 111 261	1 244 698	1 387 943	1 403 640	1 423 203	1 418 255	1 898 542	3)	3)
Total: Unprocessed agricultural products	206 493	266 470	322 590	241 474	229 938	229 178	390 315	3)	3)
Total: Agricultural products	391 458	453 336	502 501	432 018	431 547	457 632	753 973	3)	3)
Wool	120 353	99 598	107 565	107 579	74 294	50 958	115 567	61 490	113 856
Mohair	7 525	5 598	7 536	8 595	5 403	4 346	8 282	4 249	8 173
Karakul pelts	14 803	11 787	15 133	15 508	15 999	15 137	18 328	14 122	18 721
Hides and skins	24 092	17 654	17 954	23 548	21 778	19 796	37 230	24 677	32 757
Maize and maize products	5 392	81 107	109 249	31 099	55 538	62 344	140 820	97 963	76 963
Preserved fruit and jam	44 495	43 652	46 951	47 962	47 574	48 379	64 821	47 249	63 724
Sugar	32 735	33 533	38 193	38 682	48 367	69 088	123 017	85 337	89 199
Citrus fruit	28 035	26 923	28 455	35 620	29 620	36 316	45 551	20 474	42 267
Deciduous fruit and table grapes	35 494	33 394	39 694	34 812	34 087	38 378	50 598	49 826	40 578
Groundnuts	2 554	11 018	8 296	7 566	9 871	11 029	7 309	5 354	8 427
Groundnut oil	1 232	2 229	2 273	2 662	3 721	4 620	2 925	2 107	2 134
Butter	598	358	582	1 194	404	915	9 864	6 536	836
Cheese	121	121	372	246	290	85	109	85	104

Source: Production and stocks - relevant control boards
Exports - Department of Customs and Excise

- 1) Year ended September
2) Year ended June
3) Not available

TABLE 6 - Loans by the Land and Agricultural Bank of South Africa

Loans during month or year			Loans outstanding at end of month or year					
End of month or year	To farmers		To farmers		Co-operative organisations		Regulatory boards	Total
	On mortgage	Other	On mortgage	Other	On mortgage	Other		
	R1 000							
1959	34 819	380	84 344	990	19 182	116 808	517	221 841
1960	44 686	8 748	120 510	9 458	21 233	137 912	208	289 320
1961	14 090	3 704	124 223	11 447	21 443	162 200	60	319 373
1962	14 111	4 293	126 621	10 543	21 501	150 011	35	308 701
1963	21 544	2 364	133 851	8 720	22 053	147 486	1 820	313 930
1964	23 867	1 329	140 832	6 666	25 604	115 905	4 570	293 577
1965	25 491	1 578	152 171	5 492	31 408	129 342	5 300	323 714
1966	26 543	2 623	167 360	5 414	39 012	167 021	3 056	381 863
1967	25 125	3 261	178 800	5 700	46 100	324 300	7 600	562 400
1968	31 164	3 773	194 400	6 500	50 600	251 100	14 500	517 000
1969	50 880	6 760	226 900	9 800	55 600	258 700	4 100	555 000
1970	73 110	7 484	279 900	13 800	60 700	258 100	8 600	617 900
1971	73 379	7 927	323 100	17 200	69 100	387 900	28 000	825 200
1972	40 808	9 544	335 500	18 700	79 800	448 900	18 700	901 700
1973	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1971								
January	4 799	663	279 900	14 300	61 200	267 800	8 800	631 900
February	5 882	671	284 000	14 600	62 300	267 100	8 400	636 400
March	7 633	496	289 400	15 100	62 800	251 200	22 900	641 400
April	5 215	620	292 600	15 600	64 000	244 100	18 400	634 700
May	4 884	514	296 200	16 000	64 900	255 800	18 200	651 200
June	6 263	566	299 900	15 900	65 500	287 300	24 300	692 900
July	6 319	601	304 400	16 000	65 800	355 300	24 300	765 800
August	6 892	825	308 800	15 900	67 200	395 100	25 500	812 600
September	6 290	719	312 300	15 900	67 300	395 900	19 600	810 900
October	5 332	655	315 500	16 100	67 500	377 800	26 100	802 900
November	7 255	979	319 600	16 500	68 100	370 200	24 200	798 500
December	6 615	815	323 100	17 100	69 100	387 900	28 000	825 200
1972								
January	3 999	887	325 200	17 700	70 700	389 600	31 400	834 600
February	4 203	822	327 400	18 200	71 300	372 200	32 500	821 600
March	3 723	727	328 700	18 700	72 800	354 600	27 700	802 500
April	2 575	492	329 900	19 100	73 400	346 800	25 900	795 100
May	3 491	586	331 700	19 400	75 600	348 200	27 400	802 200
June	3 044	600	332 100	19 600	75 900	370 200	25 600	823 400
July	2 736	665	332 800	19 500	77 200	431 100	30 900	891 600
August	3 153	694	333 300	18 900	78 100	477 100	30 500	937 900
September	2 823	582	332 800	18 600	77 400	469 800	17 300	916 000
October	2 896	609	333 300	18 400	78 000	445 500	11 300	886 400
November	4 289	1 782	334 300	18 500	79 300	426 800	15 200	874 200
December	3 867	1 096	335 500	18 700	79 800	448 900	18 700	901 700
1973								
January	3 853	600	336 600	18 900	80 500	446 800	3 200	886 000
February	4 068	627	338 500	19 200	81 000	412 700	3 800	855 200
March	3 918	695	339 400	19 400	81 700	388 900	4 000	833 400
April	2 463	505	339 400	19 600	82 500	369 700	3 900	815 200
May	2 840	697	340 200	19 900	82 800	345 500	10 700	799 100
June	3 289	413	340 500	19 400	83 500	356 500	16 400	816 200
July	3 310	583	341 100	19 200	83 300	382 600	20 600	846 900
August	4 325	566	341 800	18 800	83 400	376 900	45 900	866 700
September	4 733	611	342 700	18 200	83 500	356 600	37 800	838 700
October	4 670	810	343 800	18 000	83 700	338 300	24 200	808 000
November	4 514	806	344 500	18 300	85 000	328 700	17 700	794 200
December	4 934	715	345 700	18 400	87 100	360 900	18 100	830 300
1974								
January	3 755	555	346 200	18 400	87 800	372 300	15 400	840 100
February	4 496	765	347 000	18 700	89 600	350 300	6 400	812 000
Source: Land and Agricultural Bank of South Africa								

Source: Land and Agricultural Bank of South Africa (Department of Statistics)

LAND TENURE SYSTEMS IN WHITE SOUTH AFRICAN AGRICULTURE I: HISTORICAL REVIEW*

by

J. JOUBERT

Division of Agricultural Production Economics

and

J.A. GROENEWALD

University of Pretoria

INTRODUCTION

Land tenure is an important aspect of the agricultural milieu. It is a factor which can have a significant effect on the productivity of agriculture and on the condition of conservation of natural resources. Land tenure systems are also part of the social structure of rural populations; a considerable number of social and emotional factors are involved. It is by no means surprising that land tenure reform has in many parts of the world often been one of the first aspects to which the authorities have turned their attention in efforts to modernise agriculture.

Any system of land tenure is at least in part the product of the past. Any attempt to describe and analyse the present situation would be incomplete if the historical occurrences which led to the present land tenure system were not taken into consideration as well.

"The manner in which the soil is occupied and dealt with, not only determined the course of agriculture in bygone days, but is today still exercising a clear and unmistakable influence on every one of the great variety of production directions that are arbitrarily practised under changing conditions on the soil of South Africa"¹.

THE BEGINNINGS OF PRIVATE FARMERS

On 21 February 1657 land was granted to the first Free Burghers at the Cape. The farmers received land for a period of three years to practise horticulture without payment of any rent. They would receive the land as "eigendom" - their own property - if it was fully cul-

tivated by the end of that period. The first farmer who satisfied this requirement and received 20 morgen of land as his property was one Jacob Cloeten, who had already received the land as "eigendom" on 10 October 1657. In addition to this property, he was also entitled to rent certain small plots, which would remain the property of the Company, along the Liesbeeck River. The land which was rented from the authorities in this way was known as "leenings eigendom", or loan property, a system which was to become very common in the years to come.

As the Free Burghers increased in number, many of them left the Peninsula and established themselves in 1678 in the Hottentots-Holland, in 1679 in Stellenbosch and in 1687 in Drakenstein. These Free Burghers were also among the first to receive some of the large groups of Angolan and Guinean slaves as agricultural labourers in 1658. In 1662 they already had 180 slaves, in 1733 the Free Burghers, who numbered about 3 000, already had 4 700 slaves and in 1793 the number of Free Burghers had grown to 13 800 and they owned 14 700 slaves. Some of the nomadic Hottentots were also obtained as agricultural labourers and very soon all manual labour was associated with Non-Whites.

Unlike conditions in Europe, the Free Burghers at the Cape enjoyed equal status. They were all landowners and land was freely available to all who wanted to farm. The association of manual labour with Coloured people made it an indignity for a White to hire out his services to another White. The desire for independence and the availability of Non-White labourers were therefore two of the most important early causes of the development of a distinctive system of land tenure in which the great majority of farmers were landowners.

* Based on a M.Sc. (Agric.) thesis by J. Joubert, University of Pretoria.

1) Commission of Enquiry into Agriculture (1970). Second Report, R.P. 84/1970, Government Printer, Pretoria, p. 10.

The area under White occupation expanded gradually and in 1700 it already extended as far as the "Land van Waveren", known today as the Tulbagh Valley.

During the administration of Simon van der Stel, a tendency was already developing among some of the Free Burghers to move, as soon as one farm became exhausted, to another one. Van der Stel wrote to his successor warning him that many of these Free Burghers were "unspeakably" addicted to drink. They neglected agriculture, slaughtered their livestock, exhausted the land and then trekked away to look for new land that needed no fertilisation. Many of them also wandered "diep landwaarts in", so that the "Kompanjie geen beheer meer oor hulle het nie"².

THE DEVELOPMENT OF TREK FARMING

In 1700 the prohibition on exchange trade between the Burghers and the Hottentots, which was introduced in 1658, was lifted by Commissioner Valckenier and the farmers were therefore able to increase their livestock population rapidly. According to Theal³, however, trading had already been thrown open the previous year by the Here XVII. "They (the directors) therefore annulled the placaat, and on the 27th of June 1699 issued instructions that the cattle trade should be thrown open, care being taken, however, that the Hottentots should suffer no ill-treatment in connection with it". From 1700 stock farming rapidly gained popularity and whereas in 1700 there were only a few stock farmers, in 1725 there were already 50 and in 1735 as many as 122⁴.

The growing dissatisfaction with the administration of W.A. van der Stel, as well as the high degree of overproduction and consequent poor prices, which were also largely attributable to Van der Stel's own extensive farming enterprise⁵, caused many farmers to

trek further into the interior in an attempt to escape the influence of the Castle. Grazing licences issued by Van der Stel gave rise to the establishment of permanent cattleposts beyond the borders. The fact that the Government permitted the stock farmers to look for grazing beyond the borders soon resulted in the stock farmers beginning to develop into trek farmers.

THE EXTENSION OF LOAN FARMS

The rapid expansion of the Colony brought about a rise in the expenditure of the authorities and, in an attempt to obtain a direct income from the land, an annual rent was introduced in 1703. On application to occupy a loan farm a stamp duty of 6 rix-dollars was payable and thereafter a yearly rent of 24 rix-dollars. In 1714 an annual tax, or "recognition", of 24 rix-dollars was levied on loan farms. The right of occupation of loan farms had to be renewed annually and this meant that there was no security of land tenure. The farmer was therefore in reality a tenant and the Government could at any time give him notice to leave the farm. If he paid his recognition regularly, however, this did not happen and he was nearly as sure of his tenure as the owner of a freehold farm.

These loan farms were usually 3 000 morgen in extent and could not be divided among the farmer's children. However, because there was plenty of land in the interior, this did not create a problem and, in addition, it gave rise to the rapid increase in loan farms. "In 1743 was daar meer as 400 leningsplase wat sowat 3 000 morg en in 1792 ongeveer 2 000"⁶.

THE FIFTEEN-YEAR RENT SYSTEM

In an attempt to lessen the uncertainty of the loan farm system, a new rent system was introduced in 1732, under which the land could be leased for a period of fifteen consecutive years. This system, however, applied mainly to land under cultivation and the rent varied depending on the fertility of the soil and other physical factors (from 4 to 8 skillings per morgen)⁷. In addition, the recognition of 24 rix-dollars still had to be paid. "The 'recognitie' of Rds 24 had also to be paid as an acknowledgement of 'de heer behoudt zyn recht', that is, the sovereign remains the rightful lord of the soil so long as no part of it is granted in absolute freehold"⁸. Should the Government decide at the end of such a 15 year period not to renew the contract, the owner had to be compensated according to a reasonable valuation for all the buildings.

- 2) Böeseke, A.J., Krüger, D.W. and Kieser, A. (1952). *Drie eeue: Die verhaal van ons vaderland*. Nasionale Boekhandel, Cape Town, p. 117.
- 3) Theal, G.M. (1964). *History of South Africa*. Volume Three, C. Struik, Cape Town, p. 401.
- 4) Van Jaarsveld, F.A. (1968). *Nuwe geïllustreerde geskiedenis vir die senior sertifikaat*. Deel I, Suid-Afrikaanse Geskiedenis, Voortrekkerpers, Johannesburg, p. 37.
- 5) In 1706 the wheat crop of Vergelegen (W.A. van der Stel's farm) was given as 1 100 muids and all the wheat farmers together, according to their statement, produced 4 331 muids. Böeseke, A.J., D.W. Krüger and A. Kieser, *op. cit.*, p. 136. "The lands were in a high state of cultivation, bearing 400 000 vines, thousands of fruit trees and everything else which could be raised. Beyond the mountains, he had no less than fifteen different cattle stations on which were 800 cattle and 10 000 sheep". Cory, G.E. (1965). *The rise of South Africa*. Volume One, C. Struik, Cape Town, p. 11.

6) Van Jaarsveld, F.A., *op. cit.*, p. 40.

7) 1 skilling = 2 cents

8) Cory, G.E., Volume One, *op. cit.*, p. 260.

"LEENINGS EIGENDOM"

The "leenings eigendomstelsel", or loan property system, was introduced in 1743 by Governor Van Imhoff. Under this system the farmer would receive an "erfgrondbrief", or deed of grant, for 60 morgen of land round his homestead on payment of a certain sum of money which would depend on the value of the land. The annual recognition of 24 rds was still payable, which confirmed the farmer's grazing rights on the rest of the farm. There seems to be some uncertainty among historians as to the actual amount that had to be paid annually. Cory⁹ for example, gives it as 24 rds, or about R5,00, but Theal¹⁰ gives it as R10,00. Whatever the case may be, this form of tenure was very unpopular with farmers because it tied them to a large extent to a specific piece of land, which ran contrary to the pattern that he already been established among stock farmers. A further advantage to the farmers of the loan farms was the fact that they had the right to sell the homestead they had built there to another person and the buyer could then take over the lease of the grazing land.

EXPANSION UP TO THE ARRIVAL OF THE BRITISH SETTLERS

As the authorities set boundaries, the Burghers crossed these boundaries in search of better grazing. "These farmers, or Boers, thus came to lead a seminomadic existence, wandering about from place to place with their flocks and herds as better pastures and more water tempted them"¹¹.

In 1752, a century after the settlement of the Cape, the border farmers were already spread far and wide across the land. To the north they had loan farms in the Bokkeveld and Roggeveld, more than 200 miles from the Castle, and to the east between the Great and Little Brak Rivers, and the trek farmers with their stock were already in the region of the Gamtoos River.

During the following 50 years expansion continued gradually eastwards. "Teen 1765 is die voorposte aan die Gamtoosrivier en word plase reeds verder ooswaarts uitgeeneem. 'n Klein groepie het ook in die jare sestig plase langs die noordelike hange van die Swartberge uitgeeneem; en van hier uit, sowel as uit die meer suidelike dele, het koloniste kort voor 1770 noordooswaarts getrek en hulle onder die Stellenbossers in die

Kamdebo gevestig"¹².

By 1770, however, other factors put a stop to the expansion. In about 1775 the stock farmers and the Bantu tribes, which were moving south, came into contact at the Fish River. For a certain period thereafter there was no further expansion of the Colony. "Tot diep in die negentiende eeu het die Regering en die Bantoes saam daarin geslaag om die verspreiding van Blankes oor die Visrivier te verhinder"¹³.

PERPETUAL QUITRENT

The nineteenth century was to herald a new system of land tenure, namely, quitrent.

In 1812 Sir John Cradock was overwhelmed by 3 000 applications for loan farms, which he regarded as an utter waste of land. As the first step towards the introduction of the new system he issued a proclamation on 16 October 1812 prohibiting any further extension of loan farms. In addition, the rightful holders of the existing loan farms had to erect clearly visible beacons on the corners so that it would be possible to map and register the farms. On 6 August 1813 the new quitrent system was brought into being by proclamation. The provisions of this system made it possible for the holders of these farms to sell them or subdivide them as they wished. The rent to be paid annually would be increased considerably and depended upon the fertility of the land and other factors. This rent was in some cases as high as 250 rds per year, as against a rent of 30 rds per year (including stamp duty) for the loan farms. The proclamation also made provision for all who wished to convert loan farms into quitrent farms to be able to do so within the first 12 months after the date of the proclamation.

During the first year after the proclamation, however, not one such application was received. The reasons for the unpopularity of this system with the farmers were the fact that the annual rent was considerably higher than under the old system, the fixed boundaries of such farms, which limited them to a farm of only 3 000 morgen and the fact that the right of ownership meant little to them.

Under the loan farm system the farmer had the right to sell his homestead to a subsequent lessee, with

9) *Ibid.*, p. 260.

10) Theal, G.M. History of South Africa. Volume Four, C. Struik, Cape Town, 1964, p. 68.

11) Cory, G.E., *op. cit.*, p. 13.

12) Van der Walt, A.J.H., Wiid, J.A. and Geyer, A.L. (1951). Geskiedenis van Suid-Afrika. Deel Een, Nasionale Boekhandel Beperk, Cape Town, p. 125.

13) Van der Walt, A.J.H. et al. *op. cit.*, p. 130.

the payment of 2½ per cent tax to the State¹⁴. The Government, however, turned a blind eye to homesteads changing hands at such exorbitant prices that it was clear that the price of the land was also included in the transaction. W.S. Ryneveld, in a letter to the Colonial Secretary in January 1812, as quoted by Cory¹⁵, wrote as follows:

"Government knew very well that many premises consisting only but in a hut not worth more than 25 or 30 dollars were selling for 20 000 or 25 000 gulden. Government received the duties upon this sum, confident that it was not the mere opstal, but the real value or calculated utility of the place for which said duty was paid, so that not only the opstal but the whole place was virtually disposed of with the complete sanction of Government".

The nineteenth century was to be distinguished by two events of great historical importance in the colonisation of the country, namely, the arrival of the British Settlers in 1820 and the Great Trek, which began in 1835-36.

THE BRITISH SETTLERS AND THE NEW REPUBLICS

During the Fourth Frontier War of 1812 and the Fifth of 1819 and the Xhosas were driven back across the Fish River. Because the Afrikaner stock farmers did not want to return to the Fish River area, there was now a virtually depopulated area between the Fish and Sundays Rivers, which is known as the Suurveld. It was in this area that, in 1820, the first group of British Settlers were settled on small farms of 50 morgen each. These farms were also granted on the quitrent system, but would be exempt from the annual quitrent for the first ten years. The settlement of British immigrants who poured into this area between 1820 and 1860 caused the gradual shifting of the eastern border up the east coast. After repeated clashes with the Xhosas the area stretching up to the Kei, the Ciskei, was incorporated into the Colony in 1865.

Although both the expansion along the east coast and the northward movement of the stock farmers up to the Orange¹⁶ were natural processes, the Great Trek

was a large-scale emigration of at least 10 000 eastern border farmers in an attempt to escape British authority.

One of the most important results of the Great Trek was the occupation of a vast area by a relatively small White population. In consequence, the farms which were granted in Natal, the Orange Free State and the Transvaal were apparently considerably larger than would have been the case if the land had been occupied by natural expansion by the Whites.

The Cape form of land tenure was taken over unchanged by the northern Voortrekker States¹⁷. Under this system every occupier was entitled to choose land that had not yet been taken and have it registered in his name. A fixed quitrent or recognition had then to be paid annually for each farm. Pelzer¹⁸ had the following to say on the granting of land: "Dit kan ons goed begryp aangesien die Regering, ten einde sy eie burgers te help en immigrasie aan te moedig, die algemene gebruik aan die begin van die 19de eeu om kroongrond gratis uit te deel, ook in die Transvaal nagevolg het." And further.... "het die Regering in 1860 opnuut besluit om alle emigrante wat tot aan die einde van 1852 die land ingekom het, daarop geregtig sou wees om twee plase van die Regering te ontvang - een saai - en een veeplaas"¹⁹.

Farmers who wished to own more than two farms or persons who arrived in the Republic after 1852 were therefore obliged to buy their farms. There are also various instances of land being offered for sale by the Government, for example: "Van tyd tot tyd het die Volksraad, ten einde die landfinansies weer op te knap, besluit om regeringsgrond per publieke veiling te verkoop"²⁰. And also: "n Baie belangrike bron van inkomste was die voordele wat die Staat verkry het uit die verkoop van grond. In die eerste plek het die Regering hereregte van 1½ persent op die verkoopprijs ingevorder. Buitendien moes vir elke plaas Rds 6-5-2 transportkoste betaal word terwyl 'n bedrag van Rds 5 gevorder is vir die los van die grondbrief"²¹.

DIFFERENTIATED LAND TAX

Nowhere is mention made of a fixed quitrent which had to be paid annually, although Pelzer discusses at length the sources of income of the old Republic. The only fixed source of income for the old Répu-

14) Introduced in 1790.

15) Cory, G.E., *op. cit.*, pp. 264-265.

16) Although the Orange was set as the border in 1824, a considerable number of farmers trekked temporarily across the border when grazing conditions became unfavourable. Some, however, grew tired of trekking to and fro and began to remain in the trekking region. By 1834 there were already about 1 120 and by 1844 already about 1 500 trek farmers who had settled themselves between the Orange, Riet, Modder and Vet Rivers.

17) Commission of Enquiry into Agriculture, *op. cit.*

18) Pelzer, A.N. (1950). *Geskiedenis van die Suid-Afrikaanse Republiek*. Deel Een, Wordingsjare, A.A. Balkema, Cape Town, p. 23.

19) *Ibid.*, p. 23.

20) *Ibid.*, p. 24.

21) *Ibid.*, p. 71.

blic in the early years was apparently an undifferentiated poll tax until the time of the introduction of a land tax in 1855. "Vir 'n hele aantal jare het die beginsel, (hoofbelasting) hoewel dit nie algemene tevredenheid verskaf het nie, tog algemene erkenning geniet tot dat F.G. Wolmarans in 1855 die byna rewolusionêre voorstel gemaak het om 'n gedifferensieerde grondbelasting in te stel. Sy voorstel het voorsiening gemaak vir 'n belasting op alle 'bouw en veeplaatsen' wat al na gelang van die waarde van die grond, sou wissel van Rds 6-5-2 tot Rds 25 per plaas"²². This proposal was, however, included in an amended form in the Constitution only in 1858. "Die finale reëling waarop uiteindelik ooreengekom is, was dat aan elke burger in die Republiek woonagtig, 'n eiendomsplaas gegee word waarvoor jaarliks 10/- belasting betaal moes word. Daarnaas sou dit elkeen vry staan om een of meer "rekwes" of leningsplase te besit, waarvoor die betaling sou wissel tussen 10/- en 30/- al na gelang van die waarde van die grond"²³.

THE DISCOVERY OF DIAMONDS AND GOLD

The slow rate at which the White population of the two Republics, the Orange Free State and the South African Republic, increased (mainly only as a result of natural increase) was considerably accelerated by the development of the diamond and gold fields. A tremendous influx of Whites and Non-Whites into the areas followed and the market that was so created was a spur to farming throughout the land.

Where previously there had been markets mainly for non-perishables such as wool, grain, hides and skins, there was now suddenly also a market for fresh produce and meat. In consequence there was a rapid change from a self-sufficient economy to intensive production methods, which, apart from the financial advantages, was also the cause of many bottle-necks at a later stage. "The sudden switch from a self-supporting economy to that of commercial production, to which the farming industry had to adapt itself at short notice, had a far-reaching effect on the agricultural industry in general - on the one hand as regards the land utilisation philosophy of most farmers, and on the other hand as regards the consequent farming practices and the ultimate misfortunes suffered by the natural resources of the country, as well as by farmers who were unable to adapt themselves to the rapidly changing circumstances"²⁴.

However, this enormous domestic market led to the exploitation of agricultural land on a scale that was

hitherto unknown. New lands, whose fertility had been built up by natural processes, were brought under production without any effort to retain that fertility. As soon as a farm no longer satisfied the needs of its owner, he could abandon it and obtain a more suitable one because at that stage land was still by no means a limiting factor.

THE ORIGINS OF THE BYWONERS

The indifference towards land ownership is clearly illustrated by Grosskopf. He quotes an old Transvaler as follows: "His explanation was that in the olden times, especially between the years 1860 and 1890, it was unnecessary to worry about property. There were many men, owners of good farms, who were only too glad if you came and stayed with them. You might very well be a wealthier man than the owner, and - you were equally boss"²⁵.

The small value that was attached to ownership of land during the 19th century was clearly demonstrated by the bywoners. These people often led a nomadic life and apparently never stayed very long with one farmer on a particular farm. "The strong probability is that in the earlier parts of our period, say in the forties and fifties, and possibly in the sixties, the residence of bywoners was quite temporary"²⁶. Originally the bywoner was allowed to settle with his family on the farm, where he could even build a house for himself, on the understanding - never stated explicitly or in writing - that he would help the farmer at times when there was pressure of work; at harvesting time, lambing time, shearing time and so on. "Commercial tenancy was unknown under the old Boer system since the farmers had considered it quite good enough to allow their friends and relations merely to occupy unwanted pieces of land without giving them any definite title"²⁷. This system could not, however, continue indefinitely. The development of a market economy brought with it a gradual transition from the situation in which the bywoner had virtually the same status as the landowner to the situation in which he had to surrender a share to the owner and eventually to the existence of the independent crop share tenants who often cultivated other land over and above their own. "In course of time, however, when land became scarcer and dearer, and produce had a market value, the bywoner was ex-

22) *Ibid.*, p. 171.

23) *Ibid.*, p. 172.

24) Commission of Enquiry into Agriculture, *op. cit.*, p.3.

25) Grosskopf, J.F.W. (1932). The Poor-White Problem in South Africa. Report of the Carnegie Commission, Part I, Economic Report, Rural Impoverishment and Rural Exodus, Pro Ecclesia Printers, Stellenbosch, p. 38.

26) Goodfellow, D.M. (1931). A modern economic history of South Africa. Routledge, London, p. 56.

27) *Ibid.*, p. 208.

pected to give some service in consideration of what he received. In cases where the bywoner ploughed, he was expected to give up a share of the crops"²⁸.

It might have been expected that the bywoner system would in time change into a system of leasing, but this was not generally the case. Some of the main reasons for this may be given here. First, there was the mentality of the bywoner himself. In most cases these people did not have the personal drive to make a success of a farming enterprise on their own. "Many of the farmers themselves hold these views, and among the bywoners in particular the idea is prevalent that the landowner ought to provide for them"²⁹.

Secondly, many of them were lured away from the farm by the bright lights of the cities and the hope of making a quick fortune at the diggings. It must be readily admitted that this migration to the cities was not always so spontaneously. Grosskopf states: "Those who have grown up in rural areas do not lightly migrate to a town, not even in our country where they are less attached to one locality than in most of the older countries"³⁰. Economic conditions at the end of the 19th century and particularly in the early thirties of the 20th century resulted in this migration taking place on a large scale.

Thirdly, the uncertainty of the position of the bywoner, and often also the share-cropper, must also be taken into account. Written agreements between farmer and bywoner apparently never existed and if the bywoner for some reason or other fell into disfavour with the farmer, he had simply to go and look for other accommodation for himself and his family. "It rarely happens that farmers enter into written contracts with bywoners, and few contracts are for any long period, so that, even if the terms should be favourable, the position is unsatisfactory. The bywoner or share tenant usually has no security of tenure, and consequently makes no effort to be careful in his use of pasture or arable land, nor does he aim at improvements. This in turn reacts unfavourably on the landowner. Many bywoners complained that, after receiving notice to quit, they received no compensation for permanent improvements"³¹.

THE SOUTH AFRICAN WAR

It is ironical that precisely the factor that was mainly responsible for generating a market-orientated agriculture in South Africa should also be the primary

cause of the destruction of virtually everything which it had brought about in the sphere of agriculture in the two old Boer Republics. The discovery of gold was one of the factors which caused the South African War of 1899-1902.

The "scorched earth policy" which was applied by the British military authorities during the last two years of the war was aimed at reducing a relatively progressive agricultural country into a desert for military purposes. "Troppe vee is doodgesteek, graan is vernietig, vrugtebome is afgekap en die gras afgebrand. Die land is in 'n woesteny gelaat". And: "Teen die begin van 1902 was vrywel die hele gebied ten noorde van die Oranje 'n groot woesteny"³².

How complete the devastation was can also be seen from the following quotation from Beak³³: "Clearance, it has been seen already, included the destruction or removal of practically everything except buildings and dams. The latter were, as a matter of fact, as essential to the British as to the Boers. Millstones and agricultural implements were broken; horses, mules, oxen and vehicles of every description were collected for purposes of transport. Cattle and sheep, which could not be driven into our lines, or which were not immediately required for food, were slaughtered on the spot and left either to rot or to be devoured by the aasvogels. Forage stacks were fired; threshed mealies, kaffircorn, wheat, barley, oats were scattered with shell or burnt with paraffin. Growing crops were either set on fire or trampled down, according to their maturity".

RECONSTRUCTION

The policy of destruction created enormous problems for the British administration under Lord Milner after the war when it came to the repatriation of the burghers. From Lord Milner's correspondence a clear picture can be formed of how extensive these problems were, for instance, the following extract from a letter from Lord Milner to Lady Edward Cecil: "What is more serious is the total absence of stock. It is all we can do with our greatest efforts to get the people just enough oxen to plough sufficient land to keep them alive, if the mealie crop fails, we shall have to feed nearly the whole population for another year"³⁴.

28) Grosskopf, J.F.W., *op. cit.*, p. 125.

29) *Ibid.*, p. 138.

30) *Ibid.*, p. 79.

31) *Ibid.*, p. 136.

32) Van Jaarsveld, F.A., *op. cit.*, pp. 244-245.

33) Beak, G.B. (1906). *The aftermath of war*. Edward Arnold, London, p. 16.

34) Headlam, C. (1933). *The Milner papers*. Volume Two, South Africa, 1899-1905, Cassell & Company Ltd, London, p. 384.

There were also other factors which seriously hampered the recovery of agriculture. A great drought was temporarily broken only towards the end of December 1902. Severe depression reigned in the country. Stock diseases caused high death tolls among the starved stock. In addition, many of the poorer type of farmers made no effort to improve their lot³⁵. Not only were the farms laid waste, but there was also great loss of human life.

Although about 200 000 of the Boer population were settled on the platteland again after the war, there were still large areas of State land available for occupation. Chiefly for political reasons, Milner proposed the founding of a "Land Settlement Board" to settle British subjects under favourable conditions on this land. "It should be the duty of the Land Settlement Board to select settlers from those who have served in the war, and they should acquire the land on easy terms as to purchase by instalments..."³⁶. The amount of land under State and private ownership in the Transvaal and Free State was as follows³⁷:

TRANSVAAL

Land under State ownership	4 111 022 morgen (3 521 222 hectares)
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Land owned by private companies and individuals	24 032 655 morgen (20 584 738 hectares)
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FREE STATE

Land under State ownership	271 176 morgen (232 271 hectares)
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Land owned by private companies and individuals	No figures available ³⁸
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The land under State ownership in the Transvaal, however, included large areas occupied by Bantu and it was therefore not available for granting to British settlers. British settlers could acquire farms in the Orange River Colony on a lease or purchase basis.

The lease would extend over a period of five years, with a rental equivalent to 5 per cent of a Government valuation.

The land could also be bought with a deferred payment period of 30 years. The rate of interest would be 4 per cent per annum and the annual amount payable would amount to £57/10/0 on a capital sum of £1 000. The land could also be paid off after five years and the Government would provide trade credit under favourable conditions³⁹.

In spite of the favourable conditions, the number of people settled under these schemes was fairly small. "The actual number of new settlers proved smaller than Milner had hoped would be the case. But by 1906 nearly 1 200 000 acres of State-owned land had been allotted to 660 families, Dutch as well as English, and in the Transvaal nearly a million acres to 596"⁴⁰.

Although the repatriation of the landowner class progressed fairly well under the circumstances, the opposite was true of the bywoner class. Whereas the landowner before the war was in a relatively favourable position in comparison with the bywoner, both the farmer and the bywoner were now dependent on the new Government with the one difference that the farmer could still at least offer his farm as security. Many farmers were not in a position to take back their bywoners on their farms. For these people some other livelihood had to be found. A special Department was established to offer these people a future. "Early in July 1902, a Relief Works Department was constituted 'to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement'"⁴¹.

In an attempt to resettle these people on agricultural small-holdings, a number of "Burgher Land Settlements" were established. Land was bought up by groups of landowners or agricultural societies and the settlers were guaranteed a minimum period of use of seven years. In addition, they were provided with buildings, and, where necessary, also with draught animals and implements for ploughing. In exchange for this the settlers had to surrender a part of their crop to the societies: if they did the ploughing themselves, a half, and if the societies had supplied draught animals and implements, two-thirds. They were also permitted to keep a certain amount of livestock for their own use and in some cases they could also share in the profits of the various societies⁴².

35) *Ibid.*, p. 374.

36) *Ibid.*, p. 134.

37) Bleloch, W. (1969). *The new South Africa; its value and development*. Negro Universities Press, New York, pp. 185—186.

38) The total area of the Free State is given as 15 million morgen (± 13 million hectares).

39) Beak, G.B., *op. cit.*, p. 267.

40) Headlam, C., *op. cit.*, p. 383.

41) Worsfold, W.B. (1913). *Reconstruction of the New Colonies under Lord Milner*. Volume One, Kegan Paul, Trench, Trubner & Co. Ltd., London, p. 78.

42) *Ibid.*, p. 80.

Although these efforts were apparently unsuccessful in general, mainly because of the exceptionally unfavourable weather conditions, these "Burgher Land Settlements" nevertheless succeeded partially in their original purpose, namely, "... to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised"⁴³.

DEVELOPMENTS IN NATAL AND THE CAPE COLONY

The Voortrekkers left Natal in great numbers after the annexation by the British. By the end of 1843 there were only between 360 and 500 Boer families left in the whole of Natal and this exodus from Natal continued in 1844 and 1845⁴⁴.

A new occupation of Natal by Whites, predominantly of British origin, began in 1849, mainly under the Byrne Scheme. The principal form of land tenure was that of freehold farms, for which settlers had to pay 4 shillings per acre⁴⁵. Land could also be obtained under the quitrent system.

As suitable unoccupied land became more difficult to find, the quitrent system began to replace the loan farms in the Cape Colony and the ownership farm system also became more common.

Legislation made it possible in 1878 to pay off the recognition in full by payment of a sum of money equivalent to twenty times the annual recognition. This example was also followed in Natal.

The Afrikaner farmer in the Cape Colony also gradually switched to ownership farms.

This change nevertheless took place fairly slowly. "In older districts like Beaufort West, Prince Albert,

Aberdeen, the semi-nomadic use of unoccupied land ... had come to an end somewhat sooner; but as late as 1890 many people, here too, farmed on temporarily leased Crown Land. In many cases leased farms (like the 'leningsplaatsen' of the 18th century) had been occupied by the same farmers for many years in succession, and were then bought by them when the growing scarcity of land was attracting more and more purchasers"⁴⁶. In Bushmanland a case was found of a family who, although they had occupied the land for a long time and made considerable permanent improvements, did not buy the land until 1917⁴⁷.

CONCLUSION

After the repatriation of the Boers and the settlement of British citizens in the two new colonies, the occupation of new land virtually came to an end. The most common system of land tenure in the four provinces at that stage was ownership or perpetual quitrent, in other words a system whereby the farmer received the land in ownership, but paid a specific recognition annually to the Government. The perpetual quitrent gradually lost ground and was terminated by the Abolition of Quitrent Act (Act 54 of 1934).

From time to time further legislation was promulgated in respect of the granting of crown lands. Goodfellow⁴⁸ sums up the system of land tenure in South Africa as follows: "To sum up the characteristics of early land settlement in South Africa, there was first of all the giving of ownership of large tracts to the first settlers; there was then the disposal of other less valuable lands which were ignored by the Transvaal Government, but which were the centre of the only land policy which the Cape could be said to have; there was then the process of subdivision; very uncertain in its results; and finally there was the absence of any kind of good tenancy, sometimes compensated for by the success of the bywoner system but always acting to prevent the immigration of Whites without capital of their own to live on the land; ...".

43) *Ibid.*, p. 83.

44) Van der Walt, A.J.H. Wiid, J.A. and Geyer A.L., *op. cit.*, pp. 333—334.

45) Robertson, H.M. (1949). The 1849 Settlers in Natal. S. Afr. J. Econ., 17 : 416—442.

46) Grosskopf, J.F.W., *op. cit.*, p. 45.

47) *Ibid.*, p. 45.

48) Goodfellow, D.M., *op. cit.*, p. 61.